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## **Section 1. Purpose**

The purpose of this Rule is to provide for the reasonable standardization of coverage and simplification of terms and benefits of Medicare supplement policies; to facilitate public understanding and comparison of such policies; to eliminate provisions contained in such policies which may be misleading or confusing in connection with the purchase of such policies or with the settlement of claims; and to provide for full disclosures in the sale of accident and sickness insurance coverages to persons eligible for Medicare.

## **Section 2. Authority**

This Rule is issued pursuant to the authority vested in the Superintendent of Insurance under 24 M.R.S.A. § 2317-B and 24-A M.R.S.A. §§ 212, 2413(1)(F), 4207(9), 5002-A, 5002-B, 5005, 5010-A, 5011, and Resolve 2013 Chapter 19.

## **Section 3. Applicability and Scope**

- A. Except as otherwise specifically provided in Sections 13, 14, 17 and 22, this Rule shall apply to:
  - (1) All Medicare supplement policies delivered or issued for delivery in this State on or after the effective date of this Rule, and
  - (2) All certificates issued under group Medicare supplement policies which certificates have been delivered or issued for delivery in this State.

***Drafting Note:*** For policies or certificates issued or delivered prior to January 1, 1992 see Bureau of Insurance Rule 270, in addition to any applicable sections of this Rule 275.

- B. Section 6(D) of this Rule shall apply to all Medicare supplement policies renewed in this State on or after the effective date of the 2005 amendments.
- C. This Rule shall not apply to a policy of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations, or combination thereof, for employees or former employees, or a combination thereof, or for members or former members, or a combination thereof, of the labor organizations.

## **Section 4. Definitions**

For purposes of this Rule:

- A. “Applicant” means:
  - (1) In the case of an individual Medicare supplement policy, the person who seeks to contract for benefits; and
  - (2) In the case of a group Medicare supplement policy, the proposed certificate holder.

- B. **(Repealed)**
- C. “Certificate” means any certificate delivered or issued for delivery in this State under a group Medicare supplement policy.
- D. “Certificate form” means the form on which the certificate is delivered or issued for delivery by the issuer.
- E. “Continuous period of creditable coverage” means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than ninety (90) days.
- F. (1) “Creditable coverage” means, with respect to an individual, coverage for medical expenses of the individual provided under any of the following:
- a. A group health plan;
  - b. Health insurance coverage;
  - c. Part A or Part B of Title XVIII of the Social Security Act (Medicare) or a Medicare Advantage plan;
  - d. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
  - e. Chapter 55 of Title 10 United States Code (CHAMPUS);
  - f. A medical care program of the Indian Health Service or of a tribal organization;
  - g. A state health benefits risk pool;
  - h. A health plan offered under chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
  - i. A public health plan as defined in Sec. 2590.701-4(a)(1)(ix) of Title 29 C.F.R.; and
  - j. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).
- (2) “Creditable coverage” shall not include one or more, or any combination of, the following:
- a. Coverage only for accident or disability income insurance, or any combination thereof;
  - b. Coverage issued as a supplement to liability insurance;

- c. Liability insurance, including general liability insurance and automobile liability insurance;
  - d. Workers' compensation or similar insurance;
  - e. Automobile medical payment insurance;
  - f. Credit-only insurance;
  - g. Coverage for on-site medical clinics; and
  - h. Other similar insurance coverage, specified in federal regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.
- (3) "Creditable coverage" shall not include the following benefits if they are provided under a separate policy, certificate or contract of insurance or are otherwise not an integral part of the plan:
- a. Limited scope dental or vision benefits;
  - b. Benefits for long-term care, nursing home care, home health care, community-based care, or any combination thereof; and
  - c. Such other similar, limited benefits as are specified in federal regulations.
- (4) "Creditable coverage" shall not include the following benefits if offered as independent, noncoordinated benefits:
- a. Coverage only for a specified disease or illness; and
  - b. Hospital indemnity or other fixed indemnity insurance.
- (5) "Creditable coverage" shall not include the following if it is offered as a separate policy, certificate or contract of insurance:
- a. Medicare supplemental health insurance as defined under Section 1882(g)(1) of the Social Security Act;
  - b. Coverage supplemental to the coverage provided under chapter 55 of Title 10, United States Code; and
  - c. Similar supplemental coverage provided to coverage under a group health plan.
- G. "Employee welfare benefit plan" means a plan, fund or program of employee benefits as defined in 29 U.S.C. Section 1002 (Employee Retirement Income Security Act).

“Employee welfare benefit plan” also includes employee health coverage continued pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) and 24-A M.R.S. § 2809-A(11).

- H. “Insolvency” means when an issuer, licensed to transact the business of insurance in this State, has had a final order of liquidation entered against it with a finding of insolvency by a court of competent jurisdiction in the issuer’s state of domicile.
- I. “Issuer” includes insurance companies, fraternal benefit societies, health care service plans, health maintenance organizations, and any other entity delivering or issuing for delivery Medicare supplement policies or certificates in this State.
- J. “Medicare” means the “Health Insurance for the Aged Act,” Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.
- K. “Medicare Advantage plan” means a plan of coverage for health benefits under Medicare Part C as defined in [refer to definition of Medicare Advantage plan in 42 U.S.C. § 1395w-28(b)(1)], and includes:
  - (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans;
  - (2) Medical savings account plans coupled with a contribution into a Medicare Advantage medical savings account; and
  - (3) Medicare Advantage private fee-for-service plans.
- L. “Medicare supplement policy” means a group or individual policy of accident and sickness insurance or a subscriber contract of hospital and medical service organizations or health maintenance organizations, other than a policy issued pursuant to a contract under Section 1876 of the federal Social Security Act (42 U.S.C. Sections 1395 *et seq.*) or an issued policy under a demonstration project specified in U.S.C. § 1395(g)(1), which is advertised, marketed or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical or surgical expenses of persons eligible for Medicare. “Medicare supplement policy” does not include Medicare Advantage plans established under Medicare Part C, Outpatient Prescription Drug plans established under Medicare Part D, or any Health Care Prepayment Plan (HCPP) that provides benefits pursuant to an agreement under §1833(a)(1)(A) of the Social Security Act.
- M. “Pre-standardized benefit Plan,” or “Pre-standardized plan” means a group or individual policy of Medicare supplement insurance issued prior to January 1, 1992.
- N. “1990 standardized benefit plan” or “1990 plan” means a group or individual policy of Medicare supplement insurance issued on or after January 1, 1992 and with an effective date of coverage prior to June 1, 2010 and includes Medicare supplement

insurance policies and certificates renewed on or after that date which are not replaced by the issuer at the request of the insured.

- O. “2010 standardized Medicare supplement benefit plan,” “2010 standardized benefit plan” or “2010 plan” means a group or individual policy of Medicare supplement insurance issued with an effective date of coverage on or after June 1, 2010.
- P. “Policy form” means the form on which the policy is delivered or issued for delivery by the issuer.
- Q. “Secretary” means the Secretary of the United States Department of Health and Human Services.
- R. “Superintendent” means the Superintendent of Insurance.

## **Section 5. Policy Definitions and Terms**

No policy or certificate may be advertised, solicited or issued for delivery in this State as a Medicare supplement policy or certificate unless such policy or certificate contains definitions or terms which conform to the requirements of this section.

- A. “Accident,” “Accidental Injury,” or “Accidental Means” shall be defined to employ “result” language and shall not include words which establish an accidental means test or use words such as “external, violent, visible wounds” or similar words of description or characterization.
  - (1) The definition shall not be more restrictive than the following: “Injury or injuries for which benefits are provided means accidental bodily injury sustained by the insured which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force.”
  - (2) The definition may, however, exclude injuries for which benefits are provided or available under any workers’ compensation, employer’s liability, or similar law, or motor vehicle no-fault plan, unless prohibited by law.
- B. “Benefit Period” or “Medicare Benefit Period” shall not be defined more restrictively than as defined in the Medicare program.
- C. “Convalescent Nursing Home,” “Extended Care Facility,” or “Skilled Nursing Facility” shall not be defined more restrictively than as defined in the Medicare program.
- D. “Health Care Expenses” means, for purposes of Section 14, expenses of health maintenance organizations associated with the delivery of health care services, which expenses are analogous to incurred losses of insurers.
- E. “Hospital” may be defined in relation to its status, facilities, and available services or to reflect its accreditation by the Joint Commission on Accreditation of Health Care

Organizations or by the American Osteopathic Association Healthcare Facilities Accreditation Program, but not more restrictively than as defined in the Medicare program.

- F. “Medicare” shall be defined in the policy and certificate. Medicare may be substantially defined as “The Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965 as Then Constituted or Later Amended,” or “Title I, Part I of Public Law 89-97, as Enacted by the Eighty-Ninth Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as then constituted and any later amendments or substitutes thereof,” or words of similar import.
- G. “Medicare Eligible Expenses” shall mean expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.
- H. “Physician” shall not be defined more restrictively than as defined in the Medicare program.
- I. “Sickness” shall not be defined to be more restrictive than the following:

“Sickness means illness or disease of an insured person.”

The definition may be further modified to exclude sicknesses or diseases for which benefits are provided under any workers’ compensation, occupational disease, employer’s liability or similar law.

## **Section 6. Policy Provisions**

- A. Except for permitted preexisting condition clauses as described in Section 8 and in Sections 8(A)(1) and 8.1(A)(1) of this Rule, no policy or certificate may be advertised, solicited, or issued for delivery in this State as a Medicare supplement policy if the policy or certificate contains limitations or exclusions on coverage that are more restrictive than those of Medicare.
- B. No Medicare supplement policy or certificate may use waivers to exclude, limit or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions.
- C. No Medicare supplement policy or certificate in force in the State shall contain benefits which duplicate benefits provided by Medicare.
- D.
  - (1) Subject to Sections 8(A)(4), and 8(A)(5) of this Rule, a Medicare supplement policy with benefits for outpatient prescription drugs in existence prior to January 1, 2006 shall be renewed for current policyholders who do not enroll in Part D at the option of the policyholder.
  - (2) A Medicare supplement policy with benefits for outpatient prescription drugs shall not be issued after December 31, 2005.

- (3) After December 31, 2005, a Medicare supplement policy with benefits for outpatient prescription drugs may not be renewed after the policyholder enrolls in Medicare Part D unless:
  - a. The policy is modified to eliminate outpatient prescription coverage for expenses of outpatient prescription drugs incurred after the effective date of the individual's coverage under a Part D plan, and;
  - b. Premiums are adjusted to reflect the elimination of outpatient prescription drug coverage at the time of Medicare Part D enrollment, accounting for any claims paid, if applicable.

**Section 7. (Repealed)**

**Section 8. Benefit Standards for 1990 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery on or after January 1, 1992 and with an Effective Date of Coverage Prior to June 1, 2010**

The following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this State on or after January 1, 1992 and with an effective date of coverage prior to June 1, 2010. No policy or certificate may be advertised, solicited, delivered, or issued for delivery in this State as a Medicare supplement policy or certificate unless it complies with these benefit standards.

- A. General Standards. The following standards apply to Medicare supplement policies and certificates and are in addition to all other requirements of this Rule.
  - (1) A Medicare supplement policy or certificate shall not exclude or limit benefits, for losses incurred more than six (6) months from the effective date of coverage, because the loss involved a preexisting condition. The policy or certificate may not define a preexisting condition more restrictively than "a condition for which medical advice was given or treatment was recommended by or received from a physician within six (6) months before the effective date of coverage."
  - (2) A Medicare supplement policy or certificate shall not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.
  - (3) A Medicare supplement policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, copayment, or coinsurance amounts. Premiums may be modified to correspond with such changes.
  - (4) No Medicare supplement policy or certificate shall provide for termination of coverage of a spouse solely because of the occurrence of an event specified



for termination of coverage of the insured, other than the nonpayment of premium.

- (5) Each Medicare supplement policy shall be guaranteed renewable.
  - a. The issuer shall not cancel or nonrenew the policy solely on the ground of health status of the individual; and
  - b. The issuer shall not cancel or nonrenew the policy for any reason other than nonpayment of premium or material misrepresentation.
  - c. If the Medicare supplement policy is terminated by the group policyholder and is not replaced as provided under Section 8(A)(5)(e), the issuer shall offer each certificate holder an individual Medicare supplement policy which (at the option of the certificate holder):
    - i. Provides for continuation of the benefits contained in the group policy, or
    - ii. Provides for benefits that otherwise meet the requirements of this subsection.
  - d. If an individual is a certificate holder in a group Medicare supplement policy and the individual terminates membership in the group, the issuer shall:
    - i. Offer the certificate holder the conversion opportunity described in Section 8(A)(5)(c); or
    - ii. At the option of the group policyholder, offer the certificate holder continuation of coverage under the group policy.
  - e. If a group Medicare supplement policy is replaced by another group Medicare supplement policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to all persons covered under the old group policy on its date of termination. Coverage under the new policy shall not result in any exclusion for preexisting conditions that would have been covered under the group policy being replaced.
  - f. If a Medicare supplement policy eliminates an outpatient prescription drug benefit as a result of requirements imposed by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, the modified policy shall be deemed to satisfy the guaranteed renewal requirements of this paragraph.
- (6) Termination of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy

was in force may be conditioned upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

A carrier issuing a subsequent Medicare supplement policy may not deny any claim otherwise covered under the policy on the basis that the enrollee is entitled to an extension of coverage under a prior policy pursuant to this paragraph, unless the prior carrier has paid the claim or has agreed in writing that it is providing coverage for the claim. If the prior carrier does not agree in writing to provide coverage for the claim, any disputes over the carriers' respective responsibilities for payment may be resolved in accordance with the procedures applicable to medical coverage as set forth in Bureau of Insurance Rule 790.

- (7)
  - a. A Medicare supplement policy or certificate shall provide that benefits and premiums under the policy or certificate shall be suspended at the request of the policyholder or certificate holder for the period (not to exceed twenty-four (24) months) in which the policyholder or certificate holder has applied for and is determined to be entitled to medical assistance under Title XIX of the Social Security Act, but only if the policyholder or certificate holder notifies the issuer of such policy or certificate within ninety (90) days after the date the individual is notified that he or she is entitled to such assistance.
  - b. If suspension occurs and if the policyholder or certificate holder loses entitlement to medical assistance, such policy or certificate shall be automatically reinstituted, effective as of the date of termination of such entitlement, if the policyholder or certificate holder provides notice of loss of entitlement within ninety (90) days after the date he or she is notified of loss, and pays the premium attributable to the period beginning on the date of termination of entitlement.
  - c. Each Medicare supplement policy shall provide that benefits and premiums under the policy shall be suspended (for the period provided by federal regulation) at the request of the policyholder if the policyholder is entitled to benefits under Section 226(b) of the Social Security Act and is covered under a group health plan (as defined in Section 1862(b)(1)(A)(v) of the Social Security Act). If suspension occurs and if the policyholder or certificate holder loses coverage under the group health plan, the policy shall be automatically reinstituted, effective as of the date of loss of coverage, if the policyholder provides notice of loss of coverage within 90 days after the date of such loss and pays the premium attributable to the period beginning on the date of termination of entitlement.

- d. Reinstitution of such coverages:
    - i. Shall not provide for any waiting period with respect to treatment of preexisting conditions;
    - ii. Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of such suspension. If the suspended Medicare supplement policy provided coverage for outpatient prescription drugs, reinstatement of the policy for Medicare Part D enrollees shall be without coverage for outpatient prescription drugs and shall otherwise provide substantially equivalent coverage to the coverage in effect before the date of suspension; and
    - iii. Shall provide for classification of premiums on terms at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had the coverage not been suspended.
- (8) An issuer must make a written offer to each of its Medicare supplement policyholders or certificate holders with a 1990 standardized plan (as described in Section 9 of this Rule) to exchange the plan for a 2010 standardized plan (as described in Section 9.1 of this Rule). A written offer to exchange the plan for a current standardized plan must also be included in any subsequent notice of rate increase. The plans offered and any subsequent exchange must be consistent with Sections 12(D) and 23.

**B. Standards for Basic (Core) Benefits Common to Benefit Plans A-J.**

Every issuer shall make available a policy or certificate including only the following basic “core” package of benefits to each prospective insured. An issuer may make available to prospective insureds any of the other Medicare supplement insurance benefit plans in addition to the basic core package, but not in lieu of it.

- (1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- (2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used;
- (3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall

accept the issuer's payment as payment in full and may not bill the insured for any balance;

**Drafting Note:** *The issuer is required to pay whatever amount Medicare would have paid as if Medicare was covering the hospitalization. The "or other Medicare appropriate standard of payment" provision means the manner in which Medicare would have paid. The issuer stands in the place of Medicare, and so the provider must accept the issuer's payment as payment in full. The Outline of Coverage specifies that the beneficiary will pay "\$0", and the provider cannot balance bill the insured.*

- (4) Coverage under Medicare Parts A and B for the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations;
- (5) Coverage for the coinsurance amount (or in the case of hospital outpatient department services under a prospective payment system, the copayment amount) of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

**Drafting Note:** *In this context, copayment amount means the least of "copayment amount," "beneficiary copayment amount," and "hospital-elected reduced copayment amount" as those terms are used in applicable federal law and regulation. Provisions governing copayment for hospital outpatient department services under a prospective payment system apply to all Medicare supplement policies or certificates issued prior to and after the effective date of this payment system.*

C. Standards for Additional Benefits. The additional benefits included in Medicare Supplement Benefit Plans "B" through "J," as provided by Section 9 of this Rule, shall be defined as follows:

- (1) Medicare Part A Deductible: Coverage for all of the Medicare Part A inpatient hospital deductible amount per benefit period.
- (2) Skilled Nursing Facility Care: Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A.
- (3) Medicare Part B Deductible: Coverage for all of the Medicare Part B deductible amount per calendar year regardless of hospital confinement.
- (4) Eighty Percent (80%) of the Medicare Part B Excess Charges: Coverage for eighty percent (80%) of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.
- (5) One Hundred Percent (100%) of the Medicare Part B Excess Charges: Coverage for all of the difference between the actual Medicare Part B charge

as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.

- (6) **Basic Outpatient Prescription Drug Benefit:** Coverage for fifty percent (50%) of outpatient prescription drug charges, after a two hundred fifty dollar (\$250) calendar year deductible, to a maximum of one thousand two hundred fifty dollars (\$1,250) in benefits received by the insured per calendar year, to the extent not covered by Medicare. The outpatient prescription drug benefit may be included for sale or issuance in a Medicare supplement policy until January 1, 2006.
- (7) **Extended Outpatient Prescription Drug Benefit:** Coverage for fifty percent (50%) of outpatient prescription drug charges, after a two hundred fifty dollar (\$250) calendar year deductible to a maximum of three thousand dollars (\$3,000) in benefits received by the insured per calendar year, to the extent not covered by Medicare. The outpatient prescription drug benefit may be included for sale or issuance in a Medicare supplement policy until January 1, 2006.
- (8) **Medically Necessary Emergency Care in a Foreign Country:** Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician, and medical care received in a foreign country, which care would have been covered by Medicare if provided in the United States and which care began during the first sixty (60) consecutive days of each trip outside the United States, subject to a calendar year deductible of two hundred fifty dollars (\$250), and a lifetime maximum benefit of fifty thousand dollars (\$50,000). For purposes of this benefit, "emergency care" shall mean care needed immediately because of an injury or an illness of sudden and unexpected onset.
- (9) **Preventive Medical Care Benefit:** Coverage for the following preventive health services not covered by Medicare:
  - a. An annual clinical preventive medical history and physical examination that may include tests and services from Subparagraph (b) and patient education to address preventive health care measures;
  - b. Preventive screening tests or preventive services, the selection and frequency of which is determined to be medically appropriate by the attending physician.

Reimbursement shall be for the actual charges up to one hundred percent (100%) of the Medicare-approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association Current Procedural Terminology (AMA CPT) codes, to a maximum of one hundred twenty dollars (\$120) annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare.

- (10) At-Home Recovery Benefit: Coverage for services to provide short term, at-home assistance with activities of daily living for those recovering from an illness, injury or surgery.
- a. For purposes of this benefit, the following definitions shall apply:
    - i. “Activities of daily living” include, but are not limited to bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings.
    - ii. “Care provider” means a duly qualified or licensed home health aide or homemaker, personal care aide or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry.
    - iii. “Home” shall mean any place used by the insured as a place of residence, provided that such place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured’s place of residence.
    - iv. “At-home recovery visit” means the period of a visit required to provide at home recovery care, without limit on the duration of the visit, except each consecutive 4 hours in a 24-hour period of services provided by a care provider is one visit.
  - b. Coverage Requirements and Limitations.
    - i. At-home recovery services provided must be primarily services which assist in activities of daily living.
    - ii. The insured’s attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare.
    - iii. Coverage is limited to:
      - I. No more than the number and type of at-home recovery visits certified as necessary by the insured’s attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare approved home health care visits under a Medicare approved home care plan of treatment.
      - II. The actual charges for each visit up to a maximum reimbursement for forty dollars (\$40) per visit.

- III. One thousand six hundred dollars (\$1,600) per calendar year.
- IV. Seven (7) visits in any one week.
- V. Care furnished on a visiting basis in the insured's home.
- VI. Services provided by a care provider as defined in this section.
- VII. At-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded.
- VIII. At-home recovery visits received during the period the insured is receiving Medicare approved home care services or no more than eight (8) weeks after the service date of the last Medicare approved home health care visit.

c. Coverage is excluded for:

- i. Home care visits paid for by Medicare or other government programs; and
- ii. Care provided by family members, unpaid volunteers or providers who are not care providers.

D. Standards for Plans K and L

(1) Standardized Medicare supplement benefit plan "K" shall consist of the following:

- a. Coverage of 100% of the Part A hospital coinsurance amount for each day used from the 61st through the 90th day in any Medicare benefit period;
- b. Coverage of 100% of the Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the 91st through the 150th day in any Medicare benefit period;
- c. Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance;

- d. Medicare Part A Deductible: Coverage for 50% of the Medicare Part A inpatient hospital deductible amount per benefit period until the out-of-pocket limitation is met as described in Subparagraph (j);
- e. Skilled Nursing Facility Care: Coverage for 50% of the coinsurance amount for each day used from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A until the out-of-pocket limitation is met as described in Subparagraph (j);
- f. Hospice Care: Coverage for 50% of cost sharing for all Part A Medicare eligible expenses and respite care until the out-of-pocket limitation is met as described in Subparagraph (j);
- g. Coverage for 50%, under Medicare Part A or B, of the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations, until the out-of-pocket limitation is met as described in Subparagraph (j);
- h. Except for coverage provided in subparagraph (i) below, coverage for 50% of the cost sharing otherwise applicable under Medicare Part B after the policyholder pays the Part B deductible until the out-of-pocket limitation is met as described in Subparagraph (j) below;
- i. Coverage of 100% of the cost sharing for Medicare Part B preventive services after the policyholder pays the Part B deductible; and
- j. Coverage of 100% of all cost sharing under Medicare Parts A and B for the balance of the calendar year after the individual has reached the out-of-pocket limitation on annual expenditures under Medicare Parts A and B, which was \$4000 in 2006 and is indexed each year by the appropriate inflation adjustment specified by the Secretary of the U.S. Department of Health and Human Services.

(2) Standardized Medicare supplement benefit plan “L” shall consist of the following:

- a. The benefits described in Paragraphs (1)(a), (b), (c), and (i);
- b. The benefit described in Paragraphs (1)(d), (e), (f), (g), and (h), but substituting 75% for 50%; and
- c. The benefit described in Paragraph (1)(j), but substituting \$2000 for \$4000.



**Section 8.1 Benefit Standards for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery with an Effective Date of Coverage on or After June 1, 2010**

The following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this State with an effective date of coverage on or after June 1, 2010. No policy or certificate may be advertised, solicited, delivered, or issued for delivery in this State as a Medicare supplement policy or certificate unless it complies with these benefit standards. No issuer may offer any 1990 Standardized Medicare supplement benefit plan for sale on or after June 1, 2010. Benefit standards applicable to Medicare supplement policies and certificates issued with an effective date of coverage before June 1, 2010 remain subject to the requirements of Section 8.

- A. General Standards. The following standards apply to Medicare supplement policies and certificates and are in addition to all other requirements of this Rule.
- (1) A Medicare supplement policy or certificate shall not exclude or limit benefits for losses incurred more than six (6) months from the effective date of coverage because it involved a preexisting condition. The policy or certificate may not define a preexisting condition more restrictively than a condition for which medical advice was given or treatment was recommended by or received from a physician within six (6) months before the effective date of coverage.
  - (2) A Medicare supplement policy or certificate shall not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.
  - (3) A Medicare supplement policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible, co-payment, or coinsurance amounts. Premiums may be modified to correspond with such changes.
  - (4) No Medicare supplement policy or certificate shall provide for termination of coverage of a spouse solely because of the occurrence of an event specified for termination of coverage of the insured, other than the nonpayment of premium.
  - (5) Each Medicare supplement policy shall be guaranteed renewable.
    - a. The issuer shall not cancel or non-renew the policy on the ground of health status of the individual.
    - b. The issuer shall not cancel or non-renew the policy for any reason other than nonpayment of premium or material misrepresentation.
    - c. If the Medicare supplement policy is terminated by the group policyholder and is not replaced as provided under Section 8.1(A)(5)(e) of this Rule, the issuer shall offer each certificate holder an individual Medicare supplement policy which (at the option of the certificate holder):

- i. Provides for continuation of the benefits contained in the group policy; or
    - ii. Provides for benefits that otherwise meet the requirements of this subsection.
  - d. If an individual is a certificate holder in a group Medicare supplement policy and the individual terminates membership in the group, the issuer shall
    - i. Offer the certificate holder the conversion opportunity described in Section 8.1(A)(5)(c) of this Rule; or
    - ii. At the option of the group policyholder, offer the certificate holder continuation of coverage under the group policy.
  - e. If a group Medicare supplement policy is replaced by another group Medicare supplement policy purchased by the same policyholder, the issuer of the replacement policy shall offer coverage to all persons covered under the old group policy on its date of termination. Coverage under the new policy shall not result in any exclusion for preexisting conditions that would have been covered under the group policy being replaced.
- (6) Termination of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

A carrier issuing a subsequent Medicare supplement policy may not deny any claim otherwise covered under the policy on the basis that the enrollee is entitled to an extension of coverage under a prior policy pursuant to this paragraph, unless the prior carrier has paid the claim or has agreed in writing that it is providing coverage for the claim. If the prior carrier does not agree in writing to provide coverage for the claim, any disputes over the carriers' respective responsibilities for payment may be resolved in accordance with the procedures applicable to medical coverage as set forth in Bureau of Insurance Rule 790.

- (7) a. A Medicare supplement policy or certificate shall provide that benefits and premiums under the policy or certificate shall be suspended at the request of the policyholder or certificate holder for the period (not to exceed twenty-four (24) months) in which the policyholder or certificate holder has applied for and is determined to be entitled to medical assistance under Title XIX of the Social Security Act, but only if the

policyholder or certificate holder notifies the issuer of the policy or certificate within ninety (90) days after the date the individual becomes entitled to assistance.

- b. If suspension occurs and if the policyholder or certificate holder loses entitlement to medical assistance, the policy or certificate shall be automatically reinstituted, effective as of the date of termination of entitlement, if the policyholder or certificate holder provides notice of loss of entitlement within ninety (90) days after the date of loss and pays the premium attributable to the period beginning on the date of termination of entitlement.
  - c. Each Medicare supplement policy shall provide that benefits and premiums under the policy shall be suspended (for any period that may be provided by federal regulation) at the request of the policyholder if the policyholder is entitled to benefits under Section 226(b) of the Social Security Act and is covered under a group health plan (as defined in Section 1862(b)(1)(A)(v) of the Social Security Act). If suspension occurs and if the policyholder or certificate holder loses coverage under the group health plan, the policy shall be automatically reinstituted, effective as of the date of loss of coverage, if the policyholder provides notice of loss of coverage within ninety (90) days after the date of the loss and pays the premium attributable to the period beginning on the date of termination of enrollment in the group health plan.
  - d. Reinstitution of coverages as described in Subparagraphs (b) and (c):
    - i. Shall not provide for any waiting period with respect to treatment of preexisting conditions;
    - ii. Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and
    - iii. Shall provide for classification of premiums on terms at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had the coverage not been suspended.
- B. Standards for Basic (Core) Benefits Common to Medicare Supplement Insurance Benefit Plans A, B, C, D, F, F with High Deductible, G, M, and N. Every issuer of Medicare supplement insurance benefit plans shall make available a policy or certificate including only the following basic “core” package of benefits to each prospective insured. An issuer may make any of the other Medicare Supplement Insurance Benefit Plans available to prospective insureds, in addition to the basic core package, but not in lieu of it.

- (1) Coverage of Part A Medicare eligible expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- (2) Coverage of Part A Medicare eligible expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime inpatient reserve day used;
- (3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of one hundred percent (100%) of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance;

***Drafting Note:*** *The issuer is required to pay whatever amount Medicare would have paid as if Medicare was covering the hospitalization. The “or other appropriate Medicare standard of payment” provision means the manner in which Medicare would have paid. The issuer stands in the place of Medicare, and so the provider must accept the issuer’s payment as payment in full. The Outline of Coverage specifies that the beneficiary will pay “\$0,” and the provider cannot balance bill the insured.*

- (4) Coverage under Medicare Parts A and B for the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations;
- (5) Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare eligible expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible;
- (6) Hospice Care: Coverage of cost sharing for all Part A Medicare eligible hospice care and respite care expenses.

**Drafting Note:** *In all cases involving hospital outpatient department services paid under a prospective payment system, the issuer is required to pay the co-payment amount established by CMS, which will be either the amount established for the Ambulatory Payment Classification (“APC”) group, or a provider-elected reduced co-payment amount.*

- C. Standards for Additional Benefits. The following additional benefits shall be included in Medicare supplement benefit Plans B, C, D, F, F with High Deductible, G, M, and N, as provided by Section 9.1 of this Rule:

**Drafting Note:** *Benefits for Plans K and L are set by The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, and can be found in Sections 9.1(E)(8) and (9) of this Rule.*

- (1) Medicare Part A Deductible: Coverage for one hundred percent (100%) of the Medicare Part A inpatient hospital deductible amount per benefit period.
- (2) Medicare Part A Deductible: Coverage for fifty percent (50%) of the Medicare Part A inpatient hospital deductible amount per benefit period.
- (3) Skilled Nursing Facility Care: Coverage for the actual billed charges up to the coinsurance amount from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A.
- (4) Medicare Part B Deductible: Coverage for one hundred percent (100%) of the Medicare Part B deductible amount per calendar year regardless of hospital confinement.
- (5) One Hundred Percent (100%) of the Medicare Part B Excess Charges: Coverage for all of the difference between the actual Medicare Part B charges as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.
- (6) Medically Necessary Emergency Care in a Foreign Country: Coverage to the extent not covered by Medicare for eighty percent (80%) of the billed charges for Medicare-eligible expenses for medically necessary emergency hospital, physician and medical care received in a foreign country, which care would have been covered by Medicare if provided in the United States and which care began during the first sixty (60) consecutive days of each trip outside the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000. For purposes of this benefit, “emergency care” shall mean care needed immediately because of an injury or an illness of sudden and unexpected onset.

**Drafting Note:** *The Omnibus Budget Reconciliation Act 1990, 42 U.S.C. § 1395ss(p)(7), does not prohibit the issuers of Medicare supplement policies, through an arrangement with a vendor for discounts from the vendor, from making available discounts from the vendor to the policyholder or certificate holder for the purchase of items or services not covered under its Medicare supplement policies (for example: discounts on hearing aids or eyeglasses).*

**Section 9. Standard Medicare Supplement Benefit Plans for 1990 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery on or After January 1, 1992 and with an Effective Date of Coverage Prior to June 1, 2010**

- A. An issuer shall make available to each prospective policyholder and certificate holder a policy form or certificate form containing only the basic core benefits, as defined in Section 8(B) of this Rule.
- B. No groups, packages, or combinations of Medicare supplement benefits other than those listed in this section shall be offered for sale in this State, except as may be permitted in Section 9(G) and in Section 10 of this Rule.
- C. Benefit plans shall be uniform in structure, language, designation, and format to the standard benefit plans “A” through “L” listed in this subsection and conform to the definitions in Section 4 of this Rule. Each benefit shall be structured in accordance with the format provided in Sections 8(B) and 8(C), or 8(D) and list the benefits in the order shown in this subsection. For purposes of this section, “structure, language, and format” includes style, arrangement, and overall content of a benefit.
- D. An issuer may use, in connection with the benefit plan designations required in Subsection C, supplementary designations such as trade names to the extent permitted by law.
- E. Make-up of benefit plans.
  - (1) Standardized Medicare supplement benefit plan “A” shall be limited to the Basic (Core) Benefits Common to All Benefit Plans, as defined in Section 8(B) of this Rule.
  - (2) Standardized Medicare supplement benefit plan “B” shall include only the following: The Core Benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A Deductible as defined in Section 8(C)(1).
  - (3) Standardized Medicare supplement benefit plan “C” shall include only the following: The Core Benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A Deductible, Skilled Nursing Facility Care, Medicare Part B Deductible and Medically Necessary Emergency Care in a Foreign Country as defined in Sections 8(C)(1), (2), (3), and (8) respectively.
  - (4) Standardized Medicare supplement benefit plan “D” shall include only the following: The Core Benefits (as defined in Section 8(B) of this Rule), plus the Medicare Part A Deductible, Skilled Nursing Facility Care, Medically Necessary Emergency Care in a Foreign Country and the At-Home Recovery Benefit as defined in Sections 8(C)(1), (2), (8), and (10) respectively.
  - (5) Standardized Medicare supplement benefit plan “E” shall include only the following: The Core Benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A Deductible, Skilled Nursing Facility Care, Medically

Necessary Emergency Care in a Foreign Country and Preventive Medical Care as defined in Sections 8(C)(1), (2), (8), and (9), respectively.

- (6) Standardized Medicare supplement benefit plan “F” shall include only the following: The Core Benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A Deductible, the Skilled Nursing Facility Care, the Part B Deductible, One Hundred Percent (100%) of the Medicare Part B Excess Charges, and Medically Necessary Emergency Care in a Foreign Country as defined in Sections 8(C)(1), (2), (3), (5), and (8) respectively.
- (7) Standardized Medicare supplement high deductible benefit plan “F” shall include only the following: 100% of covered expenses following the payment of the annual high deductible plan “F” deductible. The covered expenses include the core benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A deductible, skilled nursing facility care, the Medicare Part B deductible, one hundred percent (100%) of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Sections 8(C)(1), (2), (3), (5), and (8) respectively. The annual high deductible plan “F” deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by the Medicare supplement plan “F” policy, and shall be in addition to any other specific benefit deductibles. The annual high deductible Plan “F” deductible shall be \$1530 for 2000, and shall be based on the calendar year. It shall be adjusted annually thereafter by the Secretary to reflect the change in the Consumer Price Index for all urban consumers for the twelve-month period ending with August of the preceding year, and rounded to the nearest multiple of \$10.
- (8) Standardized Medicare supplement benefit plan “G” shall include only the following: The core benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A deductible, skilled nursing facility care, eighty percent (80%) of the Medicare Part B excess charges, medically necessary emergency care in a foreign country, and the at-home recovery benefit as defined in Sections 8(C)(1), (2), (4), (8), and (10) respectively.
- (9) Standardized Medicare supplement benefit plan “H” shall consist of only the following: The core benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A deductible, skilled nursing facility care, basic prescription drug benefit, and medically necessary emergency care in a foreign country as defined in Sections 8(C)(1), (2), (6), and (8) respectively. This plan shall not be sold after December 31, 2005.
- (10) Standardized Medicare supplement benefit plan “I” shall consist of only the following: The core benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A deductible, skilled nursing facility care, one hundred percent (100%) of the Medicare Part B excess charges, basic prescription drug benefit, medically necessary emergency care in a foreign country and at-home recovery benefit as defined in Sections 8(C)(1), (2), (5), (6), (8), and (10) respectively. This plan shall not be sold after December 31, 2005.

- (11) Standardized Medicare supplement benefit plan “J” shall consist of only the following: The core benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A deductible, skilled nursing facility care, Medicare Part B deductible, one hundred percent (100%) of the Medicare Part B excess charges, extended prescription drug benefit, medically necessary emergency care in a foreign country, preventive medical care, and at-home recovery benefit as defined in Sections 8(C)(1), (2), (3), (5), (7), (8), (9), and (10) respectively. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.
  - (12) Standardized Medicare supplement high deductible benefit plan “J” shall consist of only the following: 100% of covered expenses following the payment of the annual high deductible plan “J” deductible. The covered expenses include the core benefit as defined in Section 8(B) of this Rule, plus the Medicare Part A deductible, skilled nursing facility care, Medicare Part B deductible, one hundred percent (100%) of the Medicare Part B excess charges, extended outpatient prescription drug benefit, medically necessary emergency care in a foreign country, preventive medical care benefit, and at-home recovery benefit as defined in Sections 8(C)(1), (2), (3), (5), (7), (8), (9), and (10) respectively. The annual high deductible plan “J” deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by the Medicare supplement plan “J” policy, and shall be in addition to any other specific benefit deductibles. The annual deductible shall be \$1530 for 2000, and shall be based on a calendar year. It shall be adjusted annually thereafter by the Secretary to reflect the change in the Consumer Price Index for all urban consumers for the twelve-month period ending with August of the preceding year, and rounded to the nearest multiple of \$10. The outpatient prescription drug benefit shall not be included in a Medicare supplement policy sold after December 31, 2005.
- F. Make-up of two Medicare supplement plans mandated by The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA);
- (1) Standardized Medicare supplement benefit plan “K” shall consist of only those benefits described in Section 8(D)(1).
  - (2) Standardized Medicare supplement benefit plan “L” shall consist of only those benefits described in Section 8(D)(2).
- G. New or Innovative Benefits: An issuer may, with the prior approval of the Superintendent, offer policies or certificates with new or innovative benefits in addition to the benefits provided in a policy or certificate that otherwise complies with the applicable standards. The new or innovative benefits may include benefits that are appropriate to Medicare supplement insurance, new or innovative, not otherwise available, cost-effective, and offered in a manner which is consistent with the goal of simplification of Medicare supplement policies. After December 31, 2005, the innovative benefit shall not include an outpatient prescription drug benefit.



## **Section 9.1 Standard Medicare Supplement Benefit Plans for 2010 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery with an Effective Date of Coverage on or After June 1, 2010**

The following standards are applicable to all Medicare supplement policies or certificates delivered or issued for delivery in this State with an effective date of coverage on or after June 1, 2010. No policy or certificate may be advertised, solicited, delivered, or issued for delivery in this State as a Medicare supplement policy or certificate unless it complies with these benefit plan standards. Benefit plan standards applicable to Medicare supplement policies and certificates issued with an effective date of coverage before June 1, 2010 remain subject to the requirements of Section 9.

- A.
  - (1) An issuer shall make available to each prospective policyholder and certificate holder a policy form or certificate form containing only the basic (core) benefits, as defined in Section 8.1(B) of this Rule.
  - (2) If an issuer makes available any of the additional benefits described in Section 8.1(C), or offers standardized benefit Plans K or L (as described in Sections 9.1(E)(8) and (9) of this Rule), then the issuer shall make available to each prospective policyholder and certificate holder, in addition to a policy form or certificate form with only the basic (core) benefits as described in Subsection A(1) above, a policy form or certificate form containing either standardized benefit Plan C (as described in Section 9.1(E)(3) of this Rule) or standardized benefit Plan F (as described in 9.1(E)(5) of this Rule).
- B. No groups, packages, or combinations of Medicare supplement benefits other than those listed in this section shall be offered for sale in this State, except as may be permitted in Section 9.1(F) and in Section 10 of this Rule.
- C. Benefit plans shall be uniform in structure, language, designation, and format to the standard benefit plans listed in this subsection and conform to the definitions in Section 4 of this Rule. Each benefit shall be structured in accordance with the format provided in Sections 8.1(B) and 8.1(C) of this Rule; or, in the case of plans K or L, in Sections 9.1(E)(8) or (9) of this Rule and list the benefits in the order shown. For purposes of this section, “structure, language, and format” means style, arrangement, and overall content of a benefit.
- D. In addition to the benefit plan designations required in Subsection C of this section, an issuer may use other designations to the extent permitted by law.
- E. Make-up of 2010 Standardized Benefit Plans:
  - (1) Standardized Medicare supplement benefit Plan A shall include only the following:  
  
The basic (core) benefits as defined in Section 8.1(B) of this Rule.
  - (2) Standardized Medicare supplement benefit Plan B shall include only the following:

The basic (core) benefit as defined in Section 8.1(B) of this Rule, plus one hundred percent (100%) of the Medicare Part A deductible as defined in Section 8.1(C)(1) of this Rule.

- (3) Standardized Medicare supplement benefit Plan C shall include only the following: The basic (core) benefit as defined in Section 8.1(B) of this Rule, plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, one hundred percent (100%) of the Medicare Part B deductible, and medically necessary emergency care in a foreign country as defined in Sections 8.1(C)(1), (3), (4), and (6) of this Rule, respectively.
- (4) Standardized Medicare supplement benefit Plan D shall include only the following: The basic (core) benefit (as defined in Section 8.1(B) of this Rule), plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, and medically necessary emergency care in a foreign country as defined in Sections 8.1(C)(1), (3), and (6) of this Rule, respectively.
- (5) Standardized Medicare supplement [regular] benefit Plan F shall include only the following: The basic (core) benefit as defined in Section 8.1(B) of this Rule, plus one hundred percent (100%) of the Medicare Part A deductible, the skilled nursing facility care, one hundred percent (100%) of the Medicare Part B deductible, one hundred percent (100%) of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Sections 8.1(C)(1), (3), (4), (5), and (6) respectively.
- (6) Standardized Medicare supplement benefit Plan F with High Deductible shall include only the following: one hundred percent (100%) of covered expenses following the payment of the annual deductible set forth in Subparagraph (b).
  - a. The covered expenses (after the deductible) are: the basic (core) benefit as defined in Section 8.1(B) of this Rule, plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, one hundred percent (100%) of the Medicare Part B deductible, one hundred percent (100%) of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Sections 8.1(C)(1), (3), (4), (5), and (6) of this Rule, respectively.
  - b. The annual deductible in Plan F with High Deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by [regular] Plan F, and shall be in addition to any other specific benefit deductibles. The basis for the deductible shall be \$1,500 and shall be adjusted annually from 1999 by the Secretary of the U.S. Department of Health and Human Services to reflect the change in the Consumer Price Index for all urban consumers for the twelve-month period ending with August of the preceding year, and rounded to the nearest multiple of ten dollars (\$10).

- (7) Standardized Medicare supplement benefit Plan G shall include only the following: The basic (core) benefit as defined in Section 8.1(B) of this Rule, plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, one hundred percent (100%) of the Medicare Part B excess charges, and medically necessary emergency care in a foreign country as defined in Sections 8.1(C)(1), (3), (5), and (6), respectively. Effective January 1, 2020, the standardized benefit plans described in Section 9.2(A)(4) of this Rule (Redesignated Plan G High Deductible) may be offered to any individual who was eligible for Medicare prior to January 1, 2020.
- (8) Standardized Medicare supplement benefit Plan K is mandated by The Medicare Prescription Drug, Improvement and Modernization Act of 2003, and shall include only the following:
- a. Part A Hospital Coinsurance 61st through 90th days: Coverage of one hundred percent (100%) of the Part A hospital coinsurance amount for each day used from the 61st through the 90th day in any Medicare benefit period;
  - b. Part A Hospital Coinsurance, 91st through 150th days: Coverage of one hundred percent (100%) of the Part A hospital coinsurance amount for each Medicare lifetime inpatient reserve day used from the 91st through the 150th day in any Medicare benefit period;
  - c. Part A Hospitalization After 150 Days: Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of one hundred percent (100%) of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance;
  - d. Medicare Part A Deductible: Coverage for fifty percent (50%) of the Medicare Part A inpatient hospital deductible amount per benefit period until the out-of-pocket limitation is met as described in Subparagraph (j);
  - e. Skilled Nursing Facility Care: Coverage for fifty percent (50%) of the coinsurance amount for each day used from the 21st day through the 100th day in a Medicare benefit period for post-hospital skilled nursing facility care eligible under Medicare Part A until the out-of-pocket limitation is met as described in Subparagraph (j);
  - f. Hospice Care: Coverage for fifty percent (50%) of cost sharing for all Part A Medicare eligible expenses and respite care until the out of-pocket limitation is met as described in Subparagraph (j);

- g. Blood: Coverage for fifty percent (50%), under Medicare Part A or B, of the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations, until the out-of-pocket limitation is met as described in Subparagraph (j);
  - h. Part B Cost Sharing: Except for coverage provided in Subparagraph (i), coverage for fifty percent (50%) of the cost sharing otherwise applicable under Medicare Part B after the policyholder pays the Part B deductible until the out-of-pocket limitation is met as described in Subparagraph (j);
  - i. Part B Preventive Services: Coverage of one hundred percent (100%) of the cost sharing for Medicare Part B preventive services after the policyholder pays the Part B deductible; and
  - j. Cost Sharing After Out-of-Pocket Limits: Coverage of one hundred percent (100%) of all cost sharing under Medicare Parts A and B for the balance of the calendar year after the individual has reached the out-of-pocket limitation on annual expenditures under Medicare Parts A and B, which was \$4000 in 2006 and is indexed each year by the appropriate inflation adjustment specified by the Secretary of the U.S. Department of Health and Human Services.
- (9) Standardized Medicare supplement benefit Plan L is mandated by The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, and shall include only the following:
- a. The benefits described in Paragraphs 9.1(E)(8)(a), (b), (c), and (i);
  - b. The benefit described in Paragraphs 9.1(E)(8)(d), (e), (f), (g), and (h), but substituting seventy-five percent (75%) for fifty percent (50%); and
  - c. The benefit described in Paragraph 9.1(E)(8)(j), but substituting \$2000 for \$4000.
- (10) Standardized Medicare supplement benefit Plan M shall include only the following: The basic (core) benefit as defined in Section 8.1(B) of this Rule, plus fifty percent (50%) of the Medicare Part A deductible, skilled nursing facility care, and medically necessary emergency care in a foreign country as defined in Sections 8.1(C)(2), (3), and (6) of this Rule, respectively.
- (11) Standardized Medicare supplement benefit Plan N shall include only the following: The basic (core) benefit as defined in Section 8.1(B) of this Rule, plus one hundred percent (100%) of the Medicare Part A deductible, skilled nursing facility care, and medically necessary emergency care in a foreign

country as defined in Sections 8.1(C)(1), (3), and (6) of this Rule, respectively, with copayments in the following amounts:

- a. The lesser of twenty dollars (\$20) or the Medicare Part B coinsurance or copayment for each covered health care provider office visit (including visits to medical specialists); and
  - b. The lesser of fifty dollars (\$50) or the Medicare Part B coinsurance or copayment for each covered emergency room visit, however, this copayment shall be waived if the insured is admitted to any hospital and the emergency visit is subsequently covered as a Medicare Part A expense.
- F. **New or Innovative Benefits:** An issuer may, with the prior approval of the Superintendent, offer policies or certificates with new or innovative benefits, in addition to the standardized benefits provided in a policy or certificate that otherwise complies with the applicable standards. The new or innovative benefits shall include only benefits that are appropriate to Medicare supplement insurance, are new or innovative, are not otherwise available, and are cost-effective. New or innovative benefits must not adversely impact the goal of Medicare supplement simplification. New or innovative benefits shall not include an outpatient prescription drug benefit. New or innovative benefits shall not be used to change or reduce benefits, including a change of any cost-sharing provision, in any standardized plan.

**Section 9.2 Standard Medicare Supplement Benefit Plans for 2020 Standardized Medicare Supplement Benefit Plan Policies or Certificates Issued for Delivery to Individuals Newly Eligible for Medicare on or After January 1, 2020.**

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) requires the following standards to apply to all Medicare supplement policies or certificates delivered or issued for delivery in this State to individuals newly eligible for Medicare on or after January 1, 2020. No policy or certificate that provides coverage of the Medicare Part B deductible may be advertised, solicited, delivered, or issued for delivery in this State as a Medicare supplement policy or certificate to individuals newly eligible for Medicare on or after January 1, 2020. All policies must comply with the following benefit standards. Benefit plan standards applicable to Medicare supplement policies and certificates issued to individuals eligible for Medicare before January 1, 2020, remain subject to the requirements of Section 9.1.

- A. **Benefit Requirements.** The standards and requirements of Section 9.1 shall apply to all Medicare supplement policies or certificates delivered or issued for delivery to individuals newly eligible for Medicare on or after January 1, 2020, with the following exceptions:
  - (1) Standardized Medicare supplement benefit Plan C is redesignated as Plan D and shall provide the benefits contained in Section 9.1(E)(3) of this Rule but shall not provide coverage for one hundred percent (100%) or any portion of the Medicare Part B deductible.

- (2) Standardized Medicare supplement benefit Plan F is redesignated as Plan G and shall provide the benefits contained in Section 9.1(E)(5) of this Rule but shall not provide coverage for one hundred percent (100%) or any portion of the Medicare Part B deductible.
- (3) Standardized Medicare supplement benefit plans C, F, and F with High Deductible may not be offered to individuals newly eligible for Medicare on or after January 1, 2020.
- (4) Standardized Medicare supplement benefit Plan F with High Deductible is redesignated as Plan G with High Deductible and shall provide the benefits contained in Section 9.1(E)(6) of this Rule but shall not provide coverage for one hundred percent (100%) or any portion of the Medicare Part B deductible; provided further that, the Medicare Part B deductible paid by the beneficiary shall be considered an out-of-pocket expense in meeting the Plan's annual high deductible.

**Drafting Note:** Subsection A(4), above, implements the High Deductible Plan G as a redesignation of the prior High Deductible Plan F because federal law “deems” any reference to Plan F to be a reference to Plan G for “newly eligible” Medicare beneficiaries. High Deductible Plan G is the same as High Deductible Plan F except that where the annual out-of-pocket expenses are met with Medicare Part A expenses only, any subsequent Medicare Part B deductible expense incurred by the beneficiary after the required annual out-of-pocket expenses is met may not be paid for by High Deductible Plan G. Federal law prohibits the sale or issuance of any Medicare supplement policy that provides coverage of the Part B deductible to a “newly eligible” Medicare beneficiary and was enacted for the purpose of increasing cost-sharing and reducing “first dollar coverage.” High Deductible plans meet this purpose. A beneficiary buying such a plan has a reasonable expectation that the plan will begin providing coverage after the beneficiary has paid the stated dollar amount in full, so making the beneficiary satisfy two separate deductible requirements on a cumulative basis would be a misleading description of the terms of the plan.

- (5) The reference to Plans C or F contained in Section 9.1(A)(2) is deemed a reference to Plans D or G for purposes of this section.
- B. Applicability to Certain Individuals. This Section 9.2 applies only to individuals who are newly eligible for Medicare on or after January 1, 2020:
- (1) By reason of attaining age 65 on or after January 1, 2020; or
  - (2) By reason of entitlement to benefits under part A pursuant to section 226(b) or 226A of the Social Security Act, or who is deemed to be eligible for benefits under section 226(a) of the Social Security Act on or after January 1, 2020.
- C. Offer of Redesignated Plans to Individuals Other Than Newly Eligible. On or after January 1, 2020, the standardized benefit plans described in subparagraph A(4) above may be offered to any individual who was eligible for Medicare prior to January 1, 2020 in addition to the standardized plans described in section 9.1(E) of this Rule.

**Drafting Note:** The standardized benefit plans described in subparagraphs A(1) and A(2) above in this Section are also included as benefit plans D and G in Section 9.1(E)(4) and (7).

## **Section 10. Medicare Select Policies and Certificates**

- A.
  - (1) This section shall apply to Medicare Select policies and certificates, as defined in this section.
  - (2) No policy or certificate may be advertised as a Medicare Select policy or certificate unless it meets the requirements of this section.
- B. For the purposes of this section:
  - (1) “Complaint” means any dissatisfaction expressed by an individual concerning a Medicare Select issuer or its network providers.
  - (2) “Grievance” means dissatisfaction expressed in writing by an individual insured under a Medicare Select policy or certificate with the administration, claims practices, or provision of services concerning a Medicare Select issuer or its network providers.
  - (3) “Medicare Select Issuer” means an issuer offering, or seeking to offer, a Medicare Select policy or certificate.
  - (4) “Medicare Select Policy” and “Medicare Select Certificate” mean respectively a Medicare supplement policy or certificate that contains restricted network provisions.
  - (5) “Network Provider” means a provider of health care, or a group of providers of health care, which has entered into a written agreement with the issuer to provide benefits insured under a Medicare Select policy.
  - (6) “Restricted Network Provision” means any provision which conditions the payment of benefits, in whole or in part, on the use of network providers.
  - (7) “Service Area” means the geographic area approved by the Superintendent within which an issuer is authorized to offer a Medicare Select policy.
- C. The Superintendent may authorize an issuer to offer a Medicare Select policy or certificate, pursuant to this section and section 4358 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, if the Superintendent finds that the issuer has satisfied all of the requirements of this Rule.
- D. A Medicare Select issuer shall not issue a Medicare Select policy or certificate in this State until its plan of operation has been approved by the Superintendent.

- E. A Medicare Select issuer shall file a proposed plan of operation with the Superintendent in a format prescribed by the Superintendent. The plan of operation shall contain at least the following information:
- (1) Evidence that all covered services that are subject to restricted network provisions are available and accessible through network providers, including a demonstration that:
    - a. Services can be provided by network providers with reasonable promptness with respect to geographic location, hours of operation and after-hour care. The hours of operation and availability of after-hour care shall reflect usual practice in the local area. Geographic availability shall reflect the usual travel times within the community.
    - b. The number of network providers in the service area is sufficient, with respect to current and expected policyholders, either:
      - i. To deliver adequately all services that are subject to a restricted network provision; or
      - ii. To make appropriate referrals.
    - c. There are written agreements with network providers describing specific responsibilities.
    - d. Emergency care is available twenty-four (24) hours per day and seven (7) days per week.
    - e. In the case of covered services that are subject to a restricted network provision and are provided on a prepaid basis, there are written agreements with network providers prohibiting the providers from billing or otherwise seeking reimbursement from or recourse against any individual insured under a Medicare Select policy or certificate. This paragraph shall not apply to supplemental charges or coinsurance amounts as stated in the Medicare Select policy or certificate.
  - (2) A statement or map providing a clear description of the service area.
  - (3) A description of the grievance procedure to be utilized.
  - (4) A description of the quality assurance program, including:
    - a. The formal organizational structure;
    - b. The written criteria for selection, retention, and removal of network providers; and
    - c. The procedures for evaluating quality of care provided by network providers, and the process to initiate corrective action when warranted.



- (5) A list and description, by specialty, of the network providers.
  - (6) Copies of the written information proposed to be used by the issuer to comply with Subsection I.
  - (7) Any other information requested by the Superintendent.
- F.
  - (1) A Medicare Select issuer shall file any proposed changes to the plan of operation, except for changes to the list of network providers, with the Superintendent prior to implementing such changes. Such changes shall be considered approved by the Superintendent after thirty (30) days unless specifically disapproved.
  - (2) An updated list of network providers shall be filed with the Superintendent at least quarterly.
- G. A Medicare Select policy or certificate shall not restrict payment for covered services provided by non-network providers if:
  - (1) The services are for symptoms requiring emergency care or are immediately required for an unforeseen illness, injury or a condition; and
  - (2) It is not reasonable to obtain such services through a network provider.
- H. A Medicare Select policy or certificate shall provide payment for full coverage under the policy for covered services that are not available through network providers.
- I. A Medicare Select issuer shall make full and fair disclosure in writing of the provisions, restrictions, and limitations of the Medicare Select policy or certificate to each applicant. This disclosure shall include at least the following:
  - (1) An outline of coverage sufficient to permit the applicant to compare the coverage and premiums of the Medicare Select policy or certificate with:
    - a. Other Medicare supplement policies or certificates offered by the issuer; and
    - b. Other Medicare Select policies or certificates.
  - (2) A description (including address, phone number, and hours of operation) of the network providers, including primary care physicians, specialty physicians, hospitals, and other providers.
  - (3) A description of the restricted network provisions, including payments for coinsurance and deductibles when providers other than network providers are utilized. Except to the extent specified in the policy or certificate, expenses incurred when using out-of-network providers do not count toward the out-of-pocket annual limit contained in plans K and L.

- (4) A description of coverage for emergency and urgently needed care and other out-of-service area coverage.
  - (5) A description of limitations on referrals to restricted network providers and to other providers.
  - (6) A description of the policyholder's rights to purchase any other Medicare supplement policy or certificate otherwise offered by the issuer.
  - (7) A description of the Medicare Select issuer's quality assurance program and grievance procedure.
- J. Prior to the sale of a Medicare Select policy or certificate, a Medicare Select issuer shall obtain from the applicant a signed and dated form stating that the applicant has received the information provided pursuant to Subsection I of this section and that the applicant understands the restrictions of the Medicare Select policy or certificate.
- K. A Medicare Select issuer shall have and use procedures for hearing complaints and resolving written grievances from the subscribers. Such procedures shall be aimed at mutual agreement for settlement and may include arbitration procedures.
  - (1) The grievance procedure shall be described in the policy and certificates and in the outline of coverage.
  - (2) At the time the policy or certificate is issued, the issuer shall provide detailed information to the policyholder describing how a grievance may be registered with the issuer.
  - (3) Grievances shall be considered in a timely manner and shall be transmitted to appropriate decision-makers who have authority to fully investigate the issue and take corrective action.
  - (4) If a grievance is found to be valid, corrective action shall be taken promptly.
  - (5) All concerned parties shall be notified about the results of a grievance.

- (6) The issuer shall report no later than each March 31st to the Superintendent regarding its grievance procedure. The report shall be in a format prescribed by the Superintendent and shall contain the number of grievances filed in the past year and a summary of the subject, nature and resolution of such grievances.
- L. At the time of initial purchase, a Medicare Select issuer shall make available to each applicant for a Medicare Select policy or certificate the opportunity to purchase any Medicare supplement policy or certificate otherwise offered by the issuer.
- M.
  - (1) At the request of an individual insured under a Medicare Select policy or certificate, a Medicare Select issuer shall make available to the individual insured the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer which has comparable or lesser benefits and which does not contain a restricted network provision. The issuer shall make the policies or certificates available without requiring evidence of insurability after the Medicare Select policy or certificate has been in force for six (6) months.
  - (2) For the purposes of this subsection, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare Select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare Part A deductible, coverage for at-home recovery services or coverage for Part B excess charges.
- N. Medicare Select policies and certificates shall provide for continuation of coverage in the event the Secretary of Health and Human Services determines that Medicare Select policies and certificates issued pursuant to this section should be discontinued due to either the failure of the Medicare Select Program to be reauthorized under law or its substantial amendment.
  - (1) Each Medicare Select issuer shall make available to each individual insured under a Medicare Select policy or certificate the opportunity to purchase any Medicare supplement policy or certificate offered by the issuer which has comparable or lesser benefits and which does not contain a restricted network provision. The issuer shall make such policies and certificates available without requiring evidence of insurability.
  - (2) For the purposes of this subsection, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare Select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare Part A deductible, coverage for at-home recovery services or coverage for Part B excess charges.
- O. A Medicare Select issuer shall comply with reasonable requests for data made by state or federal agencies, including the United States Department of Health and Human Services, for the purpose of evaluating the Medicare Select Program.

**Section 11. Open Enrollment**

- A. Each Medicare beneficiary shall be entitled to a 6-month open enrollment period beginning on the date he or she first enrolls for benefits under Medicare Part B, and each individual enrolled for benefits under Medicare Part B before turning 65 shall be entitled to an additional 6-month open enrollment period beginning on his or her 65<sup>th</sup> birthday. An issuer shall not deny or condition the issuance or effectiveness of any Medicare supplement policy or certificate available for sale in this State, nor discriminate in the pricing of such a policy or certificate because of the applicant's health status, claims experience, receipt of health care, or medical condition, if the application date falls during the applicant's open enrollment period or during the preceding 60 days. In the case of an application preceding the open enrollment period, the issuer may defer the effective date of the Medicare supplement policy until the first day of the open enrollment period. Each Medicare supplement policy and certificate currently available from an issuer shall be made available to all applicants who qualify under this subsection without regard to age.
- B. (1) If an applicant qualifies under Subsection A and submits an application during the time period referenced in Subsection A and, as of the date of application, has had a continuous period of creditable coverage of at least six (6) months, the issuer shall not exclude benefits based on a preexisting condition.
- (2) If the applicant qualifies under Subsection A and submits an application during the time period referenced in Subsection A and, as of the date of application, has had a continuous period of creditable coverage that is less than six (6) months, the issuer shall reduce the period of any preexisting condition exclusion by the aggregate of the period of creditable coverage applicable to the applicant as of the enrollment date. For example, if a beneficiary did not have creditable coverage prior to enrolling in Medicare Part A and Part B at age 65 and then purchases a Medicare supplement policy with a six-month preexisting condition exclusion at month 5 of the open enrollment period, the preexisting condition exclusion period must be reduced to one month because Medicare is creditable coverage. This example pertains only to Subsections A and B and does not preclude the insurer from underwriting or refusing to issue a policy if the insured does not elect a Medicare supplement policy during the 6-month period described in Subsection A or is otherwise provided for in Subsection B and Sections 12 and 23.
- C. Except as provided in Subsection B and Sections 12 and 23, Subsection A shall not be construed as preventing the exclusion of benefits under a policy, during the first six (6) months, based on a preexisting condition for which the policyholder or certificate holder received treatment or was otherwise diagnosed during the six (6) months before the coverage became effective.

## Section 12. Guaranteed Issue for Eligible Persons

### A. Guaranteed Issue

- (1) Eligible persons are those individuals described in Subsection B who apply to enroll under the policy not later than ninety (90) days after the date of the termination of enrollment described in Subsection B, and who submit evidence of the date of termination, disenrollment, or Medicare Part D enrollment with the application for a Medicare supplement policy, or within a reasonable time after the date of the application. In case of an individual described in Subsection 12(B)(1), the guaranteed issue period begins on the later of: (i) the date the individual receives a notice of termination or cessation of some or all supplemental health benefits (or if a notice is not received, notice that a claim has been denied because of such a termination or cessation); or (ii) the date that the applicable coverage terminates or ceases; and ends 90 days thereafter.
- (2) With respect to eligible persons, an issuer shall not deny or condition the issuance or effectiveness of a Medicare supplement policy described in Subsection C that is offered and is available for issuance to new enrollees by the issuer, shall not discriminate in the pricing of such a Medicare supplement policy because of health status, claims experience, receipt of health care, or medical condition, and shall not impose an exclusion of benefits based on a preexisting condition under such a Medicare supplement policy. In the case of an individual applying for such a Medicare supplement policy within the 60 days before the anticipated date of termination of prior coverage, the issuer involved shall accept the application, but the coverage shall only become effective upon termination of the prior coverage. In the case of an individual applying for such a Medicare supplement policy who is not enrolled in Medicare Part B, the issuer may defer the effective date of the Medicare supplement policy until such time as the individual is enrolled in Medicare Part B.

### B. Eligible Persons

An eligible person is an individual described in any of the following paragraphs:

- (1) The individual is eligible for Medicare Part B and is enrolled under an employee welfare benefit plan and the plan terminates, or the plan ceases to provide some or all benefits that supplement the benefits under Medicare to the individual, or the plan ceases to provide health benefits to the individual because the individual leaves the plan;
- (2) The individual is enrolled with a Medicare Advantage organization under a Medicare Advantage plan under Part C of Medicare, and any of the following circumstances apply, or the individual is enrolled with a Program of All-Inclusive Care for the Elderly (PACE) provider under Section 1894 of the Social Security Act, and there are circumstances similar to those described

below that would permit discontinuance of the individual's enrollment with such provider if the individual were enrolled in a Medicare Advantage plan:

- a. The certification of the organization or plan under Part C has been terminated, or the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides;
- b. The individual has voluntarily disenrolled after receiving notice from the organization or plan or from the federal Health Care Finance Administration that the organization's or plan's certification will be terminated or the organization will terminate or discontinue the plan in the area in which the individual resides;
- c. The individual is no longer eligible to elect the plan because of a change in the individual's place of residence or other change in circumstances specified by the Secretary, but not including termination of the individual's enrollment on the basis described in Section 1851(g)(3)(B) of the federal Social Security Act (where the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under Section 1856), or the plan is terminated for all individuals within a residence area;
- d. The individual demonstrates, in accordance with guidelines established by the Secretary, that:
  - i. The organization offering the plan substantially violated a material provision of the organization's contract under Part C in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or
  - ii. The organization, or producer or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in marketing the plan to the individual; or
- e. The individual meets such other exceptional conditions as the Secretary may provide.

- (3) a. The individual is enrolled with:
  - i. An eligible organization under a contract under Section 1876 of the Federal Social Security Act (42 U.S.C. §§ 1395 *et seq.*) (Medicare risk or cost);
  - ii. A similar organization operating under demonstration project authority, effective for periods before April 1, 1999;
  - iii. An organization under an agreement under Section 1833(a)(1)(A) of the Federal Social Security Act (42 U.S.C. §§ 1395 *et seq.*) (health care prepayment plan); or
  - iv. An organization under a Medicare Select policy; and
- b. The enrollment ceases under the same circumstances that would permit discontinuance of an individual's election of coverage under Section 12(B)(2) of this Rule.
- (4) The individual is enrolled under a Medicare supplement policy and the enrollment ceases because:
  - a.
    - i. Of the insolvency of the issuer or bankruptcy of the nonissuer organization; or
    - ii. Of other involuntary termination of coverage or enrollment under the policy;
  - b. The issuer of the policy substantially violated a material provision of the policy; or
  - c. The issuer, or a producer or other entity acting on the issuer's behalf, materially misrepresented the policy's provisions in marketing the policy to the individual;
- (5) a. The individual was enrolled under a Medicare supplement policy and terminates enrollment and subsequently enrolls, for the first time, with any Medicare Advantage organization under a Medicare Advantage plan under part C of Medicare, any eligible organization under a contract under Section 1876 of the Federal Social Security Act (42 U.S.C. §§ 1395 *et seq.*) (Medicare risk or cost), any similar organization operating under demonstration project authority, any PACE program under Section 1894 of the Social Security Act, an organization under an agreement under Section 1833(a)(1)(A) of the Federal Social Security Act (42 U.S.C. §§ 1395 *et seq.*) (health care prepayment plan), or a Medicare Select policy; and

- b. The subsequent enrollment in one of the programs described in subparagraph (a) is terminated by the enrollee at any time within the first thirty-six (36) months of such subsequent enrollment (during which the enrollee is permitted to terminate such subsequent enrollment under Section 1851(e) of the federal Social Security Act);
  - c. For purposes of this paragraph and paragraph (6), an enrollee who changes plans within a program described in subparagraph (a) is not considered to have terminated enrollment in the program, or to have reenrolled in the program.
- (6) The individual, within six (6) months after becoming enrolled in Part B of Medicare, enrolls in a Medicare Advantage plan under part C of Medicare, or in a PACE program under Section 1894, or in a program described in section 12(B)(5)(a) and disenrolls from the Medicare Advantage program or from the PACE program, or from a program described in section 12(B)(5)(a) not later than thirty-six (36) months after the effective date of enrollment;

Individuals who enroll in Medicare Advantage under Part C, or in the PACE program, or in a program described in section 12(B)(5)(a) and change plans within a program without returning to coverage under Part A and Part B of Medicare are considered to have met the requirements of this paragraph 6 upon returning to Medicare Part A and Part B within 36 months.

- (7) The individual is eligible for Medicare Part B and is enrolled in an individual health plan as defined by Title 24-A M.R.S.A. § 2736-C and the individual's coverage under the individual health plan terminates or is expected to terminate for any reason except for fraud or nonpayment of premium. An individual whose coverage has been terminated for nonpayment of premium or who has received a notice of termination for nonpayment of premium is an eligible person if he or she provides proof that the outstanding premium debt has been paid, that he or she has entered into a payment agreement with the issuer of the individual plan, or that he or she has sought or received bankruptcy protection with respect to the debt.
- (8) The individual is eligible for Medicare Part B and is enrolled in a program providing coverage for medical benefits under Title XIX of the Social Security Act (Medicaid), and enrollment in the Medicaid program providing medical benefits ceases because the individual is no longer eligible. For the purpose of this paragraph 8 programs providing coverage for medical benefits include programs that reimburse for medical expenses or Medicare copayments, coinsurance, and deductibles. Programs that provide only premium assistance or limited benefits such as vision or immunization are not considered programs that provide coverage for medical benefits.

#### C. Products to Which Eligible Persons are Entitled

Eligible persons described in Section 12(B) are entitled to any Medicare supplement policy offered by any issuer, except that if the Medicare supplement policy in which



an eligible person described in Section 12(B)(5) was most recently enrolled did not have an outpatient prescription drug benefit, guaranteed issue is limited to plans with equivalent or lesser benefits as determined by the table in Subsection D.

#### D. Continuity Rights

The issuer shall waive any medical underwriting for an individual replacing another Medicare supplement policy, whether from the same issuer or another issuer, if the individual meets the requirement to have continuous coverage since the end of the open enrollment period as specified in 24-A M.R.S.A. § 5002-B(1)(A), and the replacement plan satisfies the following criteria:

- (1) The plan applied for is currently offered by the issuer and is one of the replacement plans indicated in the table below for all of the applicant's prior plans. Issuers may allow transfers to additional plans not noted below.
- (2) The 1990 and 2010 standardized Medicare supplement benefit plans of the same letter are considered comparable for continuity purposes.

Prior Plan	Replacing Plan											
	A	B	C	D	F	F High Deductible	G	G High Deductible	K	L	M	N
A	X					X		X				
B	X	X				X		X				
C	X	X	X	X		X		X	X	X	X	X
D	X	X		X		X		X	X	X	X	X
E	X	X		X		X		X	X	X	X	X
F	X	X	X	X	X	X	X	X	X	X	X	X
F High Deductible						X		X				
G	X	X		X		X	X	X	X	X	X	X
G High Deductible						X		X				
H*	X	X	X	X		X		X	X	X	X	X
I*	X	X	X	X	X	X	X	X	X	X	X	X
J*	X	X	X	X	X	X	X	X	X	X	X	X
J* High Deductible						X		X				
H	X	X	X	X		X		X	X	X	X	X
I	X	X	X	X	X	X	X	X	X	X	X	X
J	X	X	X	X	X	X	X	X	X	X	X	X
J High Deductible						X		X				
K						X		X	X			
L						X		X	X	X		
M	X					X		X	X		X	
N	X					X		X	X	X		X

\* Excluding prescription drugs

E. Notification provisions

- (1) At the time of an event described in Subsection B of this section because of which an individual involuntarily loses coverage or benefits due to the termination of a contract or agreement, policy, or plan, the organization that terminates the contract or agreement, the issuer terminating the policy, or the administrator of the plan being terminated, respectively, shall notify the individual of his or her rights under this section, and of the obligations of issuers of Medicare supplement policies under Subsection A. Such notice shall be communicated at the same time as the required advance notice of termination, if any. If no advance notice of the termination is otherwise required by law, the notice of rights under this section shall be given at least 30 days before the event or as soon as possible thereafter.
- (2) At the time of an event described in Subsection B of this section because of which an individual voluntarily ceases enrollment under a contract or agreement, policy, or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, shall notify the individual of his or her rights under this section, and of the obligations of issuers of Medicare supplement policies under Section 12(A). Such notice shall be communicated within ten working days of the issuer receiving notification of disenrollment.

The notice shall include a statement advising that if the individual is terminating the Medicare supplement policy to enroll in a Medicare Advantage plan for the first time, the individual may be entitled to obtain a Medicare supplement policy in the state of Maine if he or she returns to original Medicare Part A and Part B within three years. The notice shall specifically advise that the right to return to original Medicare Part A and Part B is governed by federal law and that for many enrollees federal law only permits Medicare beneficiaries to return to original Medicare Part A and Part B during an annual enrollment period. The notice shall specifically advise that Medicare Advantage enrollees may therefore need to return to original Medicare Part A and Part B in less than three years in order to obtain a Medicare supplement policy on a guaranteed issue basis.

### **Section 13. Standards for Claims Payment**

- A. An issuer shall comply with Section 1882(c)(3) of the Social Security Act (as enacted by Section 4081(b)(2)(C) of the Omnibus Budget Reconciliation Act of 1987 (OBRA) 1987, Pub. L. No. 100-203) by:
  - (1) Accepting a notice from a Medicare carrier on dually assigned claims submitted by participating physicians and suppliers as a claim for benefits in place of any other claim form otherwise required and making a payment determination on the basis of the information contained in that notice;

- (2) Notifying the participating physician or supplier and the beneficiary of the payment determination;
- (3) Paying the participating physician or supplier directly;
- (4) Furnishing, at the time of enrollment, each enrollee with a card listing the policy name, number, and a central mailing address to which notices from a Medicare carrier may be sent;
- (5) Paying user fees for claim notices that are transmitted electronically or otherwise; and
- (6) Providing to the Secretary of Health and Human Services, at least annually, a central mailing address to which all claims may be sent by Medicare carriers.

B. Compliance with the requirements set forth in Subsection A above shall be certified on the Medicare supplement insurance experience reporting form.

#### **Section 14. Loss Ratio Standards and Refund or Credit of Premium**

A. Loss Ratio Standards.

- (1) a. A Medicare supplement policy form or certificate form shall not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to policyholders and certificate holders in the form of aggregate benefits (not including anticipated refunds or credits) provided under the policy form or certificate form:
  - i. At least seventy-five percent (75%) of the aggregate amount of premiums earned in the case of group policies, or
  - ii. At least sixty-five percent (65%) of the aggregate amount of premiums earned in the case of individual policies.
- b. These ratios shall be calculated on the basis of incurred claims experience (or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis) and earned premiums for such period and in accordance with accepted actuarial principles and practices. Incurred health care expenses where coverage is provided by a health maintenance organization shall not include:
  - i. Home office and overhead costs;
  - ii. Advertising costs;
  - iii. Commissions and other acquisition costs;

- iv. Taxes;
  - v. Capital costs;
  - vi. Administrative costs; and
  - vii. Claims processing costs.
- (2) All filings of rates and rating schedules shall demonstrate, as specified in Section 15(G)(13), that the anticipated loss ratio can be expected to meet the appropriate loss ratio standards.
  - (3) For policies issued prior to January 1, 1992, expected claims in relation to premiums shall meet:
    - a. The originally filed anticipated loss ratio when combined with the actual experience since inception;
    - b. The appropriate loss ratio requirement from Subsection A(1)(a)(i) and (ii) when combined with actual experience beginning with April 1, 1996 to date; and
    - c. The appropriate loss ratio requirement from Subsection A(1)(a)(i) and (ii) over the entire future period for which the rates are computed to provide coverage.

**B. Refund or Credit Calculation.**

- (1) An issuer shall collect and file with the Superintendent by May 31 of each year the data contained in the applicable reporting form contained in Appendix A for each type in a standard Medicare supplement benefit plan.
- (2) If on the basis of the experience as reported the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation shall be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.
- (3) For the purposes of this section, policies issued prior to January 1, 1992, the issuer shall make the refund or credit calculation separately for all individual policies combined and all other group policies combined for experience after April 1, 1996.
- (4) A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a *de minimis* level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the

Secretary of Health and Human Services, but in no event shall it be less than the average rate of interest for 13-week Treasury notes. A refund or credit against premiums due shall be made by September 30 following the experience year upon which the refund or credit is based.

C. Annual Filing of Premium Rates.

An issuer of Medicare supplement policies and certificates (including those issued before the effective date of this Rule) in this State shall file annually its rates, rating schedule, and supporting documentation for approval by the Superintendent in accordance with the filing requirements and procedures prescribed by Section 15(G).

As soon as practicable, but prior to the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this State shall file with the Superintendent, in accordance with the applicable filing procedures of this State:

- (1)
  - a. Appropriate premium adjustments necessary to produce minimum loss ratios as anticipated for the current premium for the applicable policies or certificates. The supporting documents as necessary to justify the adjustment shall accompany the filing.
  - b. An issuer shall make premium adjustments necessary to produce an expected loss ratio under the policy or certificate to conform to minimum loss ratio standards for Medicare supplement policies and which are expected to result in a loss ratio at least as great as the minimum ratio originally anticipated in the rates used to produce current premiums by the issuer for the Medicare supplement policies or certificates. No premium adjustment which would modify the loss ratio experience under the policy other than the adjustments described herein shall be made with respect to a policy at any time other than upon its renewal date or anniversary date.
  - c. If an issuer fails to make premium adjustments acceptable to the Superintendent, the Superintendent may order premium adjustments, refunds or premium credits deemed necessary to achieve the loss ratio required by this section.
- (2) Any appropriate riders, endorsements, or policy forms needed to accomplish the Medicare supplement policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements, or policy forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

D. Public Hearings.

The Superintendent may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form (including those issued before the effective date of this Rule) if the experience of the

form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of any refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner deemed appropriate by the Superintendent.

## **Section 15. Filing and Approval of Policies and Certificates and Premium Rates**

The requirements of this Rule have extraterritorial applicability. The form and rate requirements apply to certificates issued in Maine pursuant to out-of-state group policies.

- A. An issuer shall not deliver or issue for delivery a policy or certificate to a resident of this State unless the policy form or certificate form has been filed with and approved by the Superintendent in accordance with filing requirements and procedures prescribed by law. An issuer shall file any riders or amendments to policy or certificate forms to delete outpatient prescription drug benefits as required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 only in the state in which the policy or certificate was issued.
- B. An issuer shall not use or change premium rates for a Medicare supplement policy or certificate unless the rates, rating schedule and supporting documentation have been filed with and approved by the Superintendent in accordance with the filing requirements and procedures prescribed by Subsection G.
- C.
  - (1) Except as provided in Paragraph (2) of this subsection, an issuer shall not file for approval more than one form of a policy or certificate of each type for each standard Medicare supplement benefit plan.
  - (2) An issuer may offer, with the approval of the Superintendent, up to two (2) alternative policy forms or certificate forms of the same type for the same standard Medicare supplement benefit plan, one for each of the following cases:
    - a. The inclusion of new or innovative benefits;
    - b. The addition of either direct response or producer marketing methods.
  - (3) For the purposes of this section, a “type” means an individual policy, a group policy, an individual Medicare Select policy, or a group Medicare Select policy.
  - (4) An issuer filing proposed rate increases for 1990 standardized Medicare supplement benefit plans must describe the relationship of the rates filed to those renewal rates for comparable 2010 standardized Medicare supplement benefit plans.
- D.
  - (1) Except as provided in Paragraph (1)(a), an issuer shall continue to make available for purchase any policy form or certificate form issued after the effective date of this Rule that has been approved by the Superintendent. A policy form or certificate form shall not be considered to be available for

purchase unless the issuer has actively offered it for sale in the previous twelve (12) months.

- a. An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the Superintendent in writing its decision at least thirty (30) days prior to discontinuing the availability of the form of the policy or certificate. After receipt of the notice by the Superintendent, the issuer shall no longer offer for sale the policy form or certificate form in this State.
  - b. An issuer that discontinues the availability of a policy form or certificate form pursuant to Subparagraph (a) shall not file for approval a new policy form or certificate form of the same type for the same standard Medicare supplement benefit plan as the discontinued form for a period of five (5) years after the issuer provides notice to the Superintendent of the discontinuance. The period of discontinuance may be reduced if the Superintendent determines that a shorter period is appropriate.
- (2) The sale or other transfer of Medicare supplement business to another issuer shall be considered a discontinuance for the purposes of this subsection.
  - (3) A change in the rating structure or methodology shall be considered a discontinuance under Paragraph (1) unless the issuer complies with the following requirements:
    - a. The issuer provides an actuarial memorandum, in a form and manner prescribed by the Superintendent describing the manner in which the revised rating methodology and resultant rates differ from the existing rating methodology and existing rates.
    - b. The issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change. The Superintendent may approve a change to the differential which is in the public interest.
- E.
    - (1) Except as provided in Paragraph (2), the experience of all policy forms or certificate forms of the same type in a standard Medicare supplement benefit plan shall be combined for purposes of the refund or credit calculation prescribed in Section 14 of this Rule.
    - (2) Forms assumed under an assumption reinsurance agreement shall not be combined with the experience of other forms for purposes of the refund or credit calculation.
  - F. Issuers that do not refuse issue of a plan to any individual or group based on health status may provide temporary discounts on that plan to individuals who purchase

coverage during their initial period of enrollment in Medicare Part B by reason of age, subject to approval by the Superintendent based on the following standards:

- (1) The maximum allowable discount an issuer may offer in each of the first three policy years will be determined based on the following table. No discounts will be permitted after the third policy year.

$A_I - A_O$ :	<u>Less than 2</u>	<u>2 - 3</u>	<u>3 - 4</u>	<u>4 - 6</u>	<u>6 - 8</u>	<u>8 - 10</u>	<u>10+</u>
Maximum First-Year Discount:	0	5%	10%	15%	20%	25%	30%
Maximum Second-Year Discount:	0	0	5%	10%	14%	17%	20%
Maximum Third-Year Discount:	0	0	0	5%	8%	9%	10%

where:

$A_I$  = the adjusted average age, as defined below, of the issuer's in-force block of standardized Medicare supplement business.

$A_O$  = the adjusted average age for all other issuers offering coverage in Maine.

- (2) The adjusted average age for the issuer ( $A_I$ ) is equal to

$$\frac{(A \times 90) + (B \times 67) + (C \times 72) + (D \times 77) + (E \times 82) + (F \times 90)}{(A + B + C + D + E + F)}$$

where A, B, C, D, E, and F are the numbers of covered lives in the age categories under 65, 65-69, 70-74, 75-79, 80-84, and 85 and over respectively. The values of A, B, C, D, E, and F for each issuer are those provided in the rate filing as specified in Section 15(G)(10).

- (3) The adjusted average age for all other issuers ( $A_O$ ) is equal to

$$\frac{(A_M \times T_M) - (A_I' \times T_I)}{T_M - T_I}$$

where:

- a.  $A_M$  is the adjusted average age and  $T_M$  is the total number of covered lives for all issuers offering coverage in the Medicare supplement market in Maine.  $A_M$  is equal to 77.4 and  $T_M$  is equal to 71,393 based on rate filings. Future changes in  $A_M$  and  $T_M$  will be determined by the Superintendent based on data provided in rate filings as specified



in Section 15(G)(10). When the Superintendent determines that the values have changed significantly, a bulletin will be issued stating new values of  $A_M$  and  $T_M$ .

- b.  $A_I'$  is the adjusted average age for the issuer as reflected in  $A_M$ .  $A_I'$  is calculated the same as  $A_I$  as defined in paragraph (2) above except that  $A'$ ,  $B'$ ,  $C'$ ,  $D'$ ,  $E'$ , and  $F'$ , as defined in subparagraph d below, shall be substituted for  $A$ ,  $B$ ,  $C$ ,  $D$ ,  $E$ , and  $F$ .
  - c.  $T_I$  is the total number of covered lives for the issuer as reflected in  $T_M$  and is equal to the sum of  $A'$ ,  $B'$ ,  $C'$ ,  $D'$ ,  $E'$ , and  $F'$ , as defined in subparagraph d below.
  - d.  $A'$ ,  $B'$ ,  $C'$ ,  $D'$ ,  $E'$ , and  $F'$  are the numbers of covered lives for the issuer in the age categories under 65, 65-69, 70-74, 75-79, 80-84, and 85 and over respectively as reflected in the calculation of  $A_M$  and  $T_M$ . The issuer can obtain these values from the Bureau of Insurance.
- G. Premium rate filings must meet the requirements of this subsection. The filing must be received by the Bureau at least 60 days before the implementation date. Every effort will be made to process filings within 60 days. If the Bureau requests additional information or finds rates not to be in compliance, rates approved previously must continue to be used. The Superintendent may request additional information as necessary.

Every rate submission must contain, to the extent applicable based on the type of filing:

- (1) Issuer Information: Include the name and address of the issuer. The name, signature, title, and direct phone number of the person responsible for the filing must also be noted.
- (2) Scope and Purpose of Filing: Specify whether this is a new form filing, a rate revision, or a justification of an existing rate. Clearly describe the reason for any rate revisions.
- (3) Percentage Change: If this is a rate revision, state the proposed percentage change in rates for each plan and the average increase for all plans.
- (4) Discounts: State any discounts to be offered pursuant to Subsection F and the anticipated impact on aggregate premium and claims experience.
- (5) Proposed Effective Date: State the proposed effective date and method of the proposed rate revision implementation (e.g., next anniversary or next premium due date).
- (6) Description of Benefits: For pre-standardized plans, include a brief description of the benefits provided by each policy form, any attached riders or endorsements, and whether there are any benefit maximums.

- (7) Pre-existing condition exclusion: Describe the provision.
- (8) Marketing Method: Provide a brief description of the market and the marketing method. Specify whether the form is still being sold and whether the filing applies only to new business, only to in-force business, or both, and the reasons therefore.
- (9) Medical Underwriting: Provide a description of the extent to which this product will be medically underwritten, if any, and the expected impact, by duration and in total, on claim costs.
- (10) In-Force Business: Policy count and annualized premium of Maine policyholders or certificate holders under each plan who will be affected by the proposed rate revision. Also include the following information concerning the ages of covered lives under in-force business for all standardized plans combined, whether or not currently marketed. List the number of covered lives in each age category: under 65, 65-69, 70-74, 75-79, 80-84, and 85 and over.
- (11) History of Rate Adjustments: List the approval dates, implementation dates and average percentage rate adjustments, both nationwide and in Maine, since inception of the policy form.
- (12) Target Lifetime Loss Ratios: State the minimum loss ratio determined and the anticipated future and lifetime loss ratios.
- (13) The filing must include sufficient supporting information to demonstrate that the rates are not excessive, inadequate, or unfairly discriminatory. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards, as set forth in Section 14(A), can be expected to be met over the entire period for which rates are computed. Such demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three (3) years. Issuers are required to review their experience no less frequently than annually and to file rate revisions, upward or downward, as appropriate. Upward revisions must be filed in a timely manner to avoid the necessity of large increases.
- (14) Medical Trend Assumptions: Provide the medical trend used and the assumptions used to calculate the trend.
- (15) Administrative Expenses: Include a breakdown of the administrative expenses.
- (16) Commission Schedule: Provide the level of compensation for new issues and renewals.

- (17) **Maine Experience:** Issuers shall consider experience solely within the State of Maine in developing its rates. However, if there is insufficient experience within Maine upon which a rate can be based, the issuer may use nationwide experience. If nationwide experience is used, premiums must be adjusted to the Maine rate level and, where appropriate, claims must be adjusted to Maine utilization and price levels. If premiums incorporate area factors that adjust for variations in utilization and price levels such that adjusting experience to Maine levels would result in the same percentage adjustment to both premiums and claims, then neither adjustment need be made. The issuer in its rate filing shall expressly show what geographic experience it is using. Experience from inception for each calendar year and, where appropriate, each policy year, must be displayed, including the following information:

- a. Year
- b. Collected premium
- c. Earned premium
- d. Paid claims
- e. Paid loss ratio
- f. Incurred claims, reflecting actual claim runoff for periods where the runoff is complete
- g. Incurred loss ratio, including ratios of incurred losses to earned premiums by policy duration;
- h. Expected incurred claims
- i. Actual-to-expected claims

For future years, columns (c), (f), and (g) must be displayed.

- (18) The filing must clearly state the assumptions used to project future experience, including:
- a. Base period of projection and whether based on state or national experience
  - b. Lapse rates
  - c. Trend and rationale for trend
  - d. Impact of scheduled or anticipated changes in Medicare, including but not limited to changes in the Part A deductible and changes in provider reimbursement rates.

- e. Interest rate for discounting and accumulating premiums and claims.
- (19) National Experience: Same data as for paragraphs 17 and 18.
- (20) A demonstration that expected claims in relation to premiums comply with the requirements of Section 14 when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards.
- (21) Rate sheets: Provide current rate schedule and the proposed rate schedule appropriate for the State. List the percentage difference between the current and proposed rates. Include any additional rating factors such as area factors, smoker/non-smoker factors. State clearly whether any factor rates have been applied to the rates provided. The assumed period for which the rates apply must also be noted.
- (22) The filing may be prepared in a manner that protects the confidentiality of proprietary information by following the confidentiality protocol, available on request from the Bureau of Insurance.
- (23) Actuarial Certification: Certification by a qualified actuary that to the best of the actuary's knowledge and judgment, the entire rate filing is in compliance with the applicable laws of the State of Maine and with the rules of the Bureau of Insurance. "Qualified actuary," as used herein, means a member in good standing of the American Academy of Actuaries.

## **Section 16. Permitted Compensation Arrangements**

- A. An issuer or other entity may provide commission or other compensation to a producer or other representative for the sale of a Medicare supplement policy or certificate only if the first year commission or other first year compensation is no more than two-hundred percent (200%) of the commission or other compensation paid for selling or servicing the policy or certificate in the second year or period.
- B. The commission or other compensation provided in subsequent (renewal) years must be the same as that provided in the second year or period and must be provided for no fewer than five (5) renewal years.
- C. No issuer or other entity shall provide to its producers, and no producer shall receive, compensation greater than the renewal compensation payable by the replacing issuer on renewal policies or certificates if an existing policy or certificate is replaced.
- D. The commission or other compensation provided to a producer or other representative for the sale of a Medicare supplement policy or certificate must be the same regardless of age of the individual when issuance is guaranteed.

- E. For purposes of this section, “compensation” includes pecuniary or non-pecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate including but not limited to bonuses, gifts, prizes, awards, and finder’s fees.

## **Section 17. Required Disclosure Provisions**

A. General Rules.

- (1) Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. Such provision shall be appropriately captioned and shall appear on the first page of the policy and shall include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases.
- (2) Except for riders and endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy after date of issue or at reinstatement or renewal which reduce or eliminate benefits or coverage in the policy shall require a signed acceptance by the insured. After the date of policy or certificate issue, any rider or endorsement which increases benefits or coverage with a concomitant increase in premium during the policy term must be agreed to in writing signed by the insured, unless the increase is required by the minimum standards for Medicare supplement policies or other applicable law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy.
- (3) Medicare supplement policies or certificates shall not provide for the payment of benefits based on standards described as “usual and customary,” “reasonable and customary” or words of similar import.
- (4) If a Medicare supplement policy or certificate contains any limitations with respect to preexisting conditions, such limitations shall appear as a separate paragraph of the policy and be labeled as “Preexisting Condition Limitations.”

- (5) Medicare supplement policies and certificates shall have a notice prominently printed on the first page of the policy or certificate or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within thirty (30) days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the insured person is not satisfied for any reason.
- (6)
  - a. Issuers of accident and sickness policies or certificates which provide hospital or medical expense coverage on an expense incurred or indemnity basis to a person(s) eligible for Medicare shall provide to those applicants a *Guide to Health Insurance for People with Medicare* in the form developed jointly by the National Association of Insurance Commissioners and the Centers for Medicare & Medicaid Services (CMS) and in a type size no smaller than 12 point type. Delivery of the *Guide to Health Insurance for People with Medicare* shall be made whether or not such policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this Rule. Except in the case of direct response issuers, delivery of the *Guide to Health Insurance for People with Medicare* shall be made to the applicant at the time of application and acknowledgment of receipt of the *Guide to Health Insurance for People with Medicare* shall be obtained by the issuer. Direct response issuers shall deliver the *Guide to Health Insurance for People with Medicare* to the applicant upon request but not later than at the time the policy is delivered.
  - b. For the purposes of this section, “form” means the language, format, type size, type proportional spacing, bold character, and line spacing.

B. Notice Requirements.

- (1) As soon as practicable, but no later than thirty (30) days prior to the annual effective date of any Medicare benefit changes, an issuer shall notify its policyholders and certificate holders of modifications it has made to Medicare supplement insurance policies or certificates in a format acceptable to the Superintendent. The notice shall:
  - a. Include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement policy or certificate, and
  - b. Inform each policyholder or certificate holder as to when any premium adjustment is to be made due to changes in Medicare.
- (2) The notice of benefit modifications and any premium adjustments shall be in outline form and in clear and simple terms so as to facilitate comprehension.
- (3) Such notices shall not contain or be accompanied by any solicitation.

C. MMA Notice Requirements.

Issuers shall comply with any notice requirements of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

D. Outline of Coverage Requirements for Medicare Supplement Policies.

- (1) Issuers shall provide an outline of coverage to all applicants at the time the application is presented to the prospective applicant and, except for direct response policies, shall obtain an acknowledgment of receipt of the outline from the applicant; and
- (2) If an outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis which would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate shall accompany such policy or certificate when it is delivered and contain the following statement, in no less than twelve (12) point type, immediately above the company name:

“NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued.”

- (3) The outline of coverage provided to applicants pursuant to this section consists of four parts: a cover page, premium information, disclosure pages, and charts displaying the features of each benefit plan offered by the issuer. The outline of coverage shall be in the language and format prescribed below in no less than twelve (12) point type. All plans shall be shown on the cover page, and the plan(s) that are offered by the issuer shall be prominently identified. Premium information for plans that are offered shall be shown on the cover page or immediately following the cover page and shall be prominently displayed. The premium and mode of payment shall be stated for all plans that are offered to the prospective applicant. All possible premiums for the prospective applicant shall be illustrated.
- (4) The following items shall be included in the outline of coverage in the order prescribed:

### Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020

This chart shows the benefits included in each of the standard Medicare supplement plans. Some plans may not be available. Only applicants first eligible for Medicare before 2020 may purchase Plans C, F, and high deductible F.

Note: A ✓ means 100% of the benefit is paid.

Benefits	Plans Available to All Applicants								Medicare first eligible before 2020 only	
	A	B	D	G <sup>1</sup>	K	L	M	N		
									C	F <sup>1</sup>
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply <sup>3</sup>	✓	✓
Blood (first three pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled nursing facility coinsurance			✓	✓	50%	75%	✓	✓	✓	✓
Medicare Part A deductible		✓	✓	✓	50%	75%	50%	✓	✓	✓
Medicare Part B deductible									✓	✓
Medicare Part B excess charges				✓						✓
Foreign travel emergency (up to plan limits)			✓	✓			✓	✓	✓	✓
Out-of-pocket limit in [2018] <sup>2</sup>					[\$5,240] <sup>2</sup>	[\$2,620] <sup>2</sup>				

<sup>1</sup> Plans F and G also have a high deductible option which requires first paying a plan deductible of [\$2,240] before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.



<sup>2</sup> Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

<sup>3</sup> Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that do not result in an inpatient admission.

### Benefit Chart of Medicare Supplement Plans Sold with Effective Dates on or After June 1, 2010

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan “A” available. Some plans may not be available in your state.

**Basic Benefits:**

- **Hospitalization** – Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.
- **Medical Expenses** – Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L, and N require insureds to pay a portion of Part B coinsurance or copayments.
- **Blood** – First three pints of blood each year.
- **Hospice** – Part A coinsurance.

A	B	C	D	F	F*	G	K	L	M	N
Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance*		Basic, including 100% Part B coinsurance	Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance	50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible	50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible						
				Part B Excess 100%		Part B Excess 100%				
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency			Foreign Travel Emergency	Foreign Travel Emergency
							Out-of-pocket limit \$[5240]; paid at 100% after limit reached	Out-of-pocket limit \$[2620]; paid at 100% after limit reached		

\* Plan F also has an option called a high deductible plan F. This high deductible plan pays the same benefits as Plan F after you have paid a calendar year [\$2240] deductible. Benefits from high deductible plan F will not begin until out-of-pocket expenses exceed [\$2240]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan’s separate foreign travel emergency deductible.

**PREMIUM INFORMATION** [Boldface Type]

We [insert issuer's name] can only raise your premium if we raise the premium for all policies like yours in this State. [If the premium is based on the increasing age of the insured, include information specifying when premiums will change.]

**READ YOUR POLICY VERY CAREFULLY** [Boldface Type]

This is only an outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

**RIGHT TO RETURN POLICY** [Boldface Type]

If you find that you are not satisfied with your policy, you may return it to [insert issuer's address]. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

**POLICY REPLACEMENT** [Boldface Type]

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

**NOTICE** [Boldface Type]

This policy may not fully cover all of your medical costs.

A. [for producers:]

Neither [insert company's name] nor its agents are connected with Medicare.

B. [for direct response:]

[Insert company's name] is not connected with Medicare.

This outline of coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult *Medicare & You* for more details.

**COMPLETE ANSWERS ARE VERY IMPORTANT** [Boldface Type]

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The company may cancel your policy and refuse to pay any claims if you leave out or falsify important medical information. [If the policy or certificate is guaranteed issue, this paragraph need not appear.]

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

[Include for each plan prominently identified in the cover page, a chart showing the services, Medicare payments, plan payments and insured payments for each plan, using the same language, in the same order, using uniform layout and format as shown in the charts below. No more than four plans may be shown on one chart. For purposes of illustration, charts for each plan are included in this Rule. An issuer may use additional benefit plan designations on these charts pursuant to Section 9.1(D) of this Rule.]

[Include an explanation of any innovative benefits on the cover page and in the chart, in a manner approved by the Superintendent.]

**PLAN A****MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61st thru 90th day 91st day and after: ---While using 60 lifetime reserve days ---Once lifetime reserve days are used: ---Additional 365 days ---Beyond the additional 365 days	All but \$[1340] All but \$[335] a day All but \$[670] a day \$0 \$0	\$0 \$[335] a day \$[670] a day 100% of Medicare eligible expenses \$0	\$[1340] (Part A deductible) \$0 \$0 \$0** All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21st thru 100th day 101st day and after	All approved amounts All but \$[167.50] a day \$0	\$0 \$0 \$0	\$0 Up to \$[167.50] a day All costs
<b>BLOOD</b> First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited copayment/coinsurance for out-patient drugs and inpatient respite care	Medicare copayment/coinsurance	\$0

(continued)

**\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN A****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>MEDICAL EXPENSES—IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT</b> , such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Generally 20%	\$[183] (Part B deductible) \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints Next \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All costs \$0 20%	\$0 \$[183] (Part B deductible) \$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

**PARTS A & B**

<b>HOME HEALTH CARE</b> <b>MEDICARE APPROVED SERVICES</b> —Medically necessary skilled care services and medical supplies —Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 80%	\$0 20%	\$[183] (Part B deductible) \$0

**PLAN B****MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61st thru 90th day 91st day and after: ---While using 60 lifetime reserve days ---Once lifetime reserve days are used: ---Additional 365 days ---Beyond the additional 365 days	All but \$[1340] All but \$[335] a day All but \$[670] a day \$0 \$0	\$[1340] (Part A deductible) \$[335] a day \$[670] a day 100% of Medicare eligible expenses \$0	\$0 \$0 \$0 \$0** All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21st thru 100th day 101st day and after	All approved amounts All but \$[167.50] a day \$0	\$0 \$0 \$0	\$0 Up to \$[167.50] a day All costs
<b>BLOOD</b> First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited copayment/coinsurance for out-patient drugs and inpatient respite care	Medicare copayment/coinsurance	\$0

(continued)

**\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN B****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>MEDICAL EXPENSES—IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT</b> , such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Generally 20%	\$[183] (Part B deductible) \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints Next \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All costs \$0 20%	\$0 \$[183] (Part B deductible) \$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

**PARTS A & B**

<b>HOME HEALTH CARE</b> <b>MEDICARE APPROVED SERVICES</b> —Medically necessary skilled care services and medical supplies —Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 80%	\$0 20%	\$[183] (Part B deductible) \$0



**PLAN C****MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61st thru 90th day 91st day and after: ---While using 60 lifetime reserve days ---Once lifetime reserve days are used: ---Additional 365 days ---Beyond the additional 365 days	All but \$[1340] All but \$[335] a day All but \$[670] a day \$0 \$0	\$[1340] (Part A deductible) \$[335] a day \$[670] a day 100% of Medicare eligible expenses \$0	\$0 \$0 \$0 \$0** All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21st thru 100th day 101st day and after	All approved amounts All but \$[167.50] a day \$0	\$0 Up to \$[167.50] a day \$0	\$0 \$0 All costs
<b>BLOOD</b> First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/coinsurance for out-patient drugs and inpatient respite care	Medicare copayment/coinsurance	\$0

(continued)

**\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN C****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>MEDICAL EXPENSES—IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT</b> , such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$[183] (Part B deductible) Generally 20%	\$0  \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints Next \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All costs \$[183] (Part B deductible) 20%	\$0 \$0 \$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

**PARTS A & B**

<b>HOME HEALTH CARE</b> <b>MEDICARE APPROVED SERVICES</b> —Medically necessary skilled care services and medical supplies —Durable medical equipment First \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	100%  \$0 80%	\$0  \$[183] (Part B deductible) 20%	\$0  \$0 \$0
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(continued)

**PLAN C****OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA First \$250 each calendar year Remainder of Charges	     \$0 \$0	     \$0 80% to a lifetime maximum benefit of \$50,000	     \$250 20% and amounts over the \$50,000 lifetime maximum

**PLAN D****MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61st thru 90th day 91st day and after: ---While using 60 lifetime reserve days ---Once lifetime reserve days are used: ---Additional 365 days ---Beyond the additional 365 days	All but \$[1340] All but \$[335] a day All but \$[670] a day \$0 \$0	\$[1340] (Part A deductible) \$[335] a day \$[670] a day 100% of Medicare eligible expenses \$0	\$0 \$0 \$0 \$0** All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21st thru 100th day 101st day and after	All approved amounts All but \$[167.50] a day \$0	\$0 Up to \$[167.50] a day \$0	\$0 \$0 All costs
<b>BLOOD</b> First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited copayment/coinsurance for out-patient drugs and inpatient respite care	Medicare copayment/coinsurance	\$0

(continued)

**\*\* NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN D****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>MEDICAL EXPENSES—IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT</b> , such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Generally 20%	\$[183] (Part B deductible) \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints Next \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All costs \$0 20%	\$0 \$[183] (Part B deductible) \$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

(continued)

**PLAN D****PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>HOME HEALTH CARE</b> MEDICARE APPROVED SERVICES			
—Medically necessary skilled care services and medical supplies	100%	\$0	\$0
—Durable medical equipment			
First \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

**PLAN F or HIGH DEDUCTIBLE PLAN F****MEDICARE (PART A) - HOSPITAL SERVICES - PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

**[\*\*This high deductible plan pays the same or offers the same benefits as Plan F after you have paid a calendar year [\$2240] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [\$2240]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.]**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days  61st thru 90th day 91st day and after: ---While using 60 lifetime reserve days ---Once lifetime reserve days are used: ---Additional 365 days  ---Beyond the additional 365 days	All but \$[1340]  All but \$[335] a day  All but \$[670] a day  \$0  \$0	\$[1340] (Part A deductible) \$[335] a day  \$[670] a day  100% of Medicare eligible expenses \$0	\$0  \$0  \$0  \$0***  All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21st thru 100th day 101st day and after	All approved amounts All but \$[167.50] a day \$0	\$0 Up to \$[167.50] a day \$0	\$0 \$0 All costs
<b>BLOOD</b> First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited copayment/coinsurance for out-patient drugs and inpatient respite care	Medicare copayment/coinsuran ce	\$0

(continued)

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN F or HIGH DEDUCTIBLE PLAN F****MEDICARE (PART B) - MEDICAL SERVICES - PER CALENDAR YEAR**

\*Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

**\*\*This high deductible plan pays the same benefits as Plan F after you have paid a calendar year [\$2240] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [\$2240]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>MEDICAL EXPENSES -</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare approved amounts* Remainder of Medicare approved amounts	\$0  Generally 80%	\$[183] (Part B deductible Generally 20%	\$0  \$0
<b>Part B Excess Charges</b> (Above Medicare approved amounts)	\$0	100%	\$0
<b>BLOOD</b> First 3 pints Next \$[183] of Medicare approved amounts* Remainder of Medicare approved amounts	\$0 \$0 80%	All costs \$[183] (Part B deductible) 20%	\$0 \$0 \$0
<b>CLINICAL LABORATORY            SERVICES-- TESTS            FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

(continued)



**PLAN F or HIGH DEDUCTIBLE PLAN F****PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>HOME HEALTH CARE</b> MEDICARE APPROVED SERVICES			
---Medically necessary skilled care services and medical supplies	100%	\$0	\$0
---Durable medical equipment			
First \$[183] of Medicare approved amounts*	\$0	\$[183] (Part B deductible)	\$0
Remainder of Medicare approved amounts	80%	20%	\$0

**OTHER BENEFITS - NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>FOREIGN TRAVEL - NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

**PLAN G or HIGH DEDUCTIBLE PLAN G****MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

[\*\*This high deductible plan pays the same benefits as Plan G after you have paid a calendar year [\$2240] deductible. Benefits from the high deductible plan G will not begin until out-of-pocket expenses are [\$2240]. Out-of-pocket expenses for this deductible include expenses for the Medicare Part B deductible, and expenses that would ordinarily be paid by the policy. This does not include the plan's separate foreign travel emergency deductible.]

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>HOSPITALIZATION*</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days  61st thru 90th day 91st day and after: ---While using 60 lifetime reserve days ---Once lifetime reserve days are used: ---Additional 365 days  ---Beyond the additional 365 days	All but \$[1340]  All but \$[335] a day  All but \$[670] a day  \$0  \$0	\$[1340] (Part A deductible) \$[335] a day  \$[670] a day   100% of Medicare eligible expenses \$0	\$0  \$0  \$0  \$0***_  All costs
<b>SKILLED NURSING FACILITY CARE*</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare- approved facility within 30 days after leaving the hospital First 20 days 21st thru 100th day 101st day and after	   All approved amounts All but \$[167.50] a day \$0	   \$0 Up to \$[167.50] a day \$0	   \$0 \$0 All costs
<b>BLOOD</b> First 3 pints Additional amounts	\$0 100%	3 pints \$0	\$0 \$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited copayment/coinsurance for out-patient drugs and inpatient respite care	Medicare copayment/coinsurance	\$0

(continued)

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN G or HIGH DEDUCTIBLE PLAN G****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

[\*\*This high deductible plan pays the same benefits as Plan G after you have paid a calendar year [\$2240] deductible. Benefits from the high deductible plan G will not begin until out-of-pocket expenses are [\$2240]. Out-of-pocket expenses for this deductible include expenses for the Medicare Part B deductible, and expenses that would ordinarily be paid by the policy. This does not include the plan's separate foreign travel emergency deductible.]

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>MEDICAL EXPENSES—IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT</b> , such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Generally 20%	\$[183] (Unless Part B deductible has been met)  \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	100%	\$0
<b>BLOOD</b> First 3 pints Next \$[183] of Medicare Approved Amounts* Remainder of Medicare Approved Amounts	\$0 \$0 80%	All costs \$0 20%	\$0 \$[183] (Unless Part B deductible has been met) \$0
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

(continued)

**PLAN G or HIGH DEDUCTIBLE PLAN G****PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>HOME HEALTH CARE</b> MEDICARE APPROVED SERVICES			
—Medically necessary skilled care services and medical supplies	100%	\$0	\$0
—Durable medical equipment			
First \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>[AFTER YOU PAY \$[2240] DEDUCTIBLE,**] PLAN PAYS</b>	<b>[IN ADDITION TO \$[2240] DEDUCTIBLE,**] YOU PAY</b>
<b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

**PLAN K**

\* You will pay half the cost-sharing of some covered services until you reach the annual out-of-pocket limit of \$[5240] each calendar year. The amounts that count toward your annual limit are noted with diamonds (♦) in the chart below. Once you reach the annual limit, the plan pays 100% of your Medicare copayment and coinsurance for the rest of the calendar year. **However, this limit does NOT include charges from your provider that exceed Medicare-approved amounts (these are called “Excess Charges”) and you will be responsible for paying this difference in the amount charged by your provider and the amount paid by Medicare for the item or service.**

**MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\*\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>HOSPITALIZATION**</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days  61 <sup>st</sup> thru 90th day 91 <sup>st</sup> day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days  —Beyond the additional 365 days	All but \$[1340]  All but \$[335] a day  All but \$[670] a day  \$0  \$0	\$[670](50% of Part A deductible)  \$[335] a day  \$[670] a day  100% of Medicare eligible expenses \$0	\$[670](50% of Part A deductible)♦ \$0  \$0  \$0***  All costs
<b>SKILLED NURSING FACILITY CARE**</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 <sup>st</sup> thru 100th day 101 <sup>st</sup> day and after	All approved amounts All but \$[167.50] a day \$0	\$0 Up to \$[83.75] a day \$0	\$0 Up to \$[83.75] a day ♦ All costs
<b>BLOOD</b> First 3 pints Additional amounts	\$0 100%	50% \$0	50%♦ \$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/coinsurance for outpatient drugs and inpatient respite care	50% of copayments /coinsurance	50% of copayments /coinsurance ♦

(continued)

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN K****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\*\*\*\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts****	\$0	\$0	\$[183] (Part B deductible)**** ♦
Preventive Benefits for Medicare covered services	Generally 75% or more of Medicare approved amounts	Remainder of Medicare approved amounts	All costs above Medicare approved amounts
Remainder of Medicare Approved Amounts	Generally 80%	Generally 10%	Generally 10% ♦
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs (and they do not count toward annual out-of-pocket limit of \$[5,240])*
<b>BLOOD</b> First 3 pints Next \$[183] of Medicare Approved Amounts****	\$0 \$0	50% \$0	50%♦ \$[183] (Part B deductible)**** ♦
Remainder of Medicare Approved Amounts	Generally 80%	Generally 10%	Generally 10% ♦
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

(continued)

\* This plan limits your annual out-of-pocket payments for Medicare-approved amounts to \$[5,240] per year. **However, this limit does NOT include charges from your provider that exceed Medicare-approved amounts (these are called “Excess Charges”) and you will be responsible for paying this difference in the amount charged by your provider and the amount paid by Medicare for the item or service.**

**PLAN K**  
**PARTS A & B**

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>HOME HEALTH CARE</b>			
MEDICARE APPROVED SERVICES			
—Medically necessary skilled care services and medical supplies	100%	\$0	\$0
—Durable medical equipment First \$[183] of Medicare Approved Amounts*****	\$0	\$0	\$[183] (Part B deductible) ♦
Remainder of Medicare Approved Amounts	80%	10%	10%♦

\*\*\*\*\*Medicare benefits are subject to change. Please consult the latest *Guide to Health Insurance for People with Medicare*.

## PLAN L

\* You will pay one-fourth of the cost-sharing of some covered services until you reach the annual out-of-pocket limit of \$[2620] each calendar year. The amounts that count toward your annual limit are noted with diamonds (♦) in the chart below. Once you reach the annual limit, the plan pays 100% of your Medicare copayment and coinsurance for the rest of the calendar year. **However, this limit does NOT include charges from your provider that exceed Medicare-approved amounts (these are called “Excess Charges”) and you will be responsible for paying this difference in the amount charged by your provider and the amount paid by Medicare for the item or service.**

### MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD

\*\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>HOSPITALIZATION**</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days 61st thru 90th day 91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days —Beyond the additional 365 days	All but \$[1340] All but \$[335] a day All but \$[670] a day \$0 \$0	\$[1005] (75% of Part A deductible) \$[335] a day \$[670] a day 100% of Medicare eligible expenses \$0	\$[335] (25% of Part A deductible)♦ \$0 \$0 \$0*** All costs
<b>SKILLED NURSING FACILITY CARE**</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days 21 <sup>st</sup> thru 100th day 101st day and after	All approved amounts All but \$[167.50] a day \$0	\$0 Up to \$[125.62] a day \$0	\$0 Up to \$[41.88] a day♦ All costs
<b>BLOOD</b> First 3 pints Additional amounts	\$0 100%	75% \$0	25%♦ \$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/coinsurance for out-patient drugs and inpatient respite care	75% of copayments /coinsurance	25% of copayments /coinsurance♦

(continued)

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.



**PLAN L****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\*\*\*\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts****	\$0	\$0	\$[183] (Part B deductible)**** ♦
Preventive Benefits for Medicare covered services	Generally 75% or more of Medicare approved amounts	Remainder of Medicare approved amounts	All costs above Medicare approved amounts
Remainder of Medicare Approved Amounts	Generally 80%	Generally 15%	Generally 5% ♦
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs (and they do not count toward annual out-of-pocket limit of [\$2620])*
<b>BLOOD</b> First 3 pints Next \$[183] of Medicare Approved Amounts****	\$0 \$0	75% \$0	25%♦ \$[183] (Part B deductible) ♦
Remainder of Medicare Approved Amounts	Generally 80%	Generally 15%	Generally 5%♦
<b>CLINICAL LABORATORY SERVICES—TESTS FOR DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

(continued)

\* This plan limits your annual out-of-pocket payments for Medicare-approved amounts to \$[2620] per year. **However, this limit does NOT include charges from your provider that exceed Medicare-approved amounts (these are called “Excess Charges”) and you will be responsible for paying this difference in the amount charged by your provider and the amount paid by Medicare for the item or service.**

**PLAN L**  
**PARTS A & B**

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>HOME HEALTH CARE</b>			
MEDICARE APPROVED SERVICES			
—Medically necessary skilled care services and medical supplies	100%	\$0	\$0
—Durable medical equipment First \$[183] of Medicare Approved Amounts*****	\$0	\$0	\$[183] (Part B deductible) ♦
Remainder of Medicare Approved Amounts	80%	15%	5% ♦

\*\*\*\*\* Medicare benefits are subject to change. Please consult the latest *Guide to Health Insurance for People with Medicare*.

**PLAN M****MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>HOSPITALIZATION**</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[670] (50% of Part A deductible)	\$[670] (50% of Part A deductible)♦
61st thru 90th day	All but \$[335] a day	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days	All but \$[670] a day	\$[670] a day	\$0
—Once lifetime reserve days are used: —Additional 365 days	\$0	100% of Medicare eligible expenses	\$0***
—Beyond the additional 365 days	\$0	\$0	All costs
<b>SKILLED NURSING FACILITY CARE**</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days	All approved amounts	\$0	\$0
21 <sup>st</sup> thru 100th day	All but \$[167.50] a day	Up to \$[167.50] a day	\$0
101st day and after	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints	\$0	3 pints	\$0
Additional amounts	100%	\$0	\$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/coinsurance for out-patient drugs and inpatient respite care	Medicare copayments/coinsurance	\$0

(continued)

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN M****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	      \$0  Generally 80%	      \$0  Generally 20%	      \$[183] (Part B deductible)  \$0
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints  Next \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	   \$0  \$0  80%	   All costs  \$0  20%	   \$0  \$[183] (Part B deductible)  \$0
<b>CLINICAL LABORATORY            SERVICES—TESTS FOR            DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

(continued)

**PLAN M****PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>HOME HEALTH CARE</b> MEDICARE APPROVED SERVICES			
—Medically necessary skilled care services and medical supplies	100%	\$0	\$0
—Durable medical equipment			
First \$[183] of Medicare Approved Amounts*****	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

**PLAN N****MEDICARE (PART A)—HOSPITAL SERVICES—PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY*
<b>HOSPITALIZATION**</b> Semiprivate room and board, general nursing and miscellaneous services and supplies First 60 days	All but \$[1340]	\$[1340] (Part A deductible)	\$0
61st thru 90th day	All but \$[335] a day	\$[335] a day	\$0
91st day and after: —While using 60 lifetime reserve days —Once lifetime reserve days are used: —Additional 365 days	All but \$[670] a day  \$0	\$[670] a day  100% of Medicare eligible expenses \$0	\$0  \$0**
—Beyond the additional 365 days	\$0		All costs
<b>SKILLED NURSING FACILITY CARE**</b> You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 30 days after leaving the hospital First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but \$[167.50] a day	Up to \$[167.50] a day	\$0
101st day and after	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints	\$0	3 pints	\$0
Additional amounts	100%	\$0	\$0
<b>HOSPICE CARE</b> You must meet Medicare's requirements, including a doctor's certification of terminal illness.	All but very limited co-payment/coinsurance for out-patient drugs and inpatient respite care	Medicare copayments/coinsurance	\$0

(continued)

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you for the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN N****MEDICARE (PART B)—MEDICAL SERVICES—PER CALENDAR YEAR**

\* Once you have been billed \$[183] of Medicare-approved amounts for covered services (which are noted with an asterisk), your Part B deductible will have been met for the calendar year.

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>MEDICAL EXPENSES—</b> IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, First \$[183] of Medicare Approved Amounts*  Remainder of Medicare Approved Amounts	\$0  Generally 80%	\$0  Balance, other than up to [\$20] per office visit and up to [\$50] per emergency room visit. The copayment of up to [\$50] is waived if the insured is admitted to any hospital and the emergency visit is covered as a Medicare Part A expense.	\$[183] (Part B deductible)  Up to [\$20] per office visit and up to [\$50] per emergency room visit. The copayment of up to [\$50] is waived if the insured is admitted to any hospital and the emergency visit is covered as a Medicare Part A expense.
<b>Part B Excess Charges</b> (Above Medicare Approved Amounts)	\$0	\$0	All costs
<b>BLOOD</b> First 3 pints	\$0	All costs	\$0
Next \$[183] of Medicare Approved Amounts*	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
<b>CLINICAL LABORATORY            SERVICES—TESTS FOR            DIAGNOSTIC SERVICES</b>	100%	\$0	\$0

(continued)

**PLAN N****PARTS A & B**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY*</b>
<b>HOME HEALTH CARE</b> MEDICARE APPROVED SERVICES —Medically necessary skilled care services and medical supplies —Durable medical equipment	100%	\$0	\$0
First \$[183] of Medicare Approved Amounts*****	\$0	\$0	\$[183] (Part B deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS—NOT COVERED BY MEDICARE**

<b>SERVICES</b>	<b>MEDICARE PAYS</b>	<b>PLAN PAYS</b>	<b>YOU PAY</b>
<b>FOREIGN TRAVEL—NOT COVERED BY MEDICARE</b> Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum



**Drafting Note:** The term “certificate” should be substituted for the word “policy” throughout the outline of coverage where appropriate.

**E. Notice Regarding Policies or Certificates Which are Not Medicare Supplement Policies.**

- (1) Any accident and sickness insurance policy or certificate other than a Medicare supplement policy, a policy issued pursuant to a contract under Section 1876 of the Federal Social Security Act (42 U.S.C. §§1395 *et seq.*), or other policy identified in Section 3(C) of this Rule, issued for delivery in this State to persons eligible for Medicare, shall notify insureds under the policy that the policy is not a Medicare supplement policy or certificate. The notice shall either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy, or if no outline of coverage is delivered, to the first page of the policy or certificate delivered to insureds. The notice shall be in no less than twelve (12) point type and shall contain the following language:

“THIS [POLICY OR CERTIFICATE] IS NOT A MEDICARE SUPPLEMENT [POLICY OR CONTRACT]. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the company. If you have a Medicare supplement policy or major medical policy, this coverage may be more than you need. For information call the Bureau of Insurance at 1-800-300-5000.”

- (2) Applications provided to persons eligible for Medicare for the health insurance policies and certificates described in Subsection D(1) shall disclose, using the applicable statement in Appendix C, the extent to which the policy duplicates Medicare. The disclosure statement shall be provided as a part of, or together with, the application for the policy or certificate.

**Section 18. Requirements for Application Forms and Replacement Coverage**

- A. Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant currently has Medicare supplement, Medicare Advantage, or Medicaid coverage, or another health insurance policy or certificate in force or whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and producer, containing such questions and statements may be used.

[Statements]

- (1) You do not need more than one Medicare supplement policy.
- (2) If you purchase this policy, you may want to evaluate your existing health coverage and decide if you need multiple coverages.
- (3) You may be eligible for benefits under Medicaid and may not need a Medicare supplement policy.

- (4) If, after purchasing this policy, you become eligible for Medicaid, the benefits and premiums under your Medicare supplement policy can be suspended, if requested, during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your suspended Medicare supplement policy (or, if that is no longer available, a substantially equivalent policy) will be reinstituted if requested within 90 days of losing Medicaid eligibility. If the Medicare supplement policy provided coverage for outpatient prescription drugs and you enrolled in Medicare Part D while your policy was suspended, the reinstituted policy will not have outpatient prescription drug coverage, but will otherwise be substantially equivalent to your coverage before the date of the suspension.
- (5) If you are eligible for, and have enrolled in a Medicare supplement policy by reason of disability and you later become covered by an employer or union-based group health plan, the benefits and premiums under your Medicare supplement policy can be suspended, if requested, while you are covered under the employer or union-based group health plan. If you suspend your Medicare supplement policy under these circumstances, and later lose your employer or union-based group health plan, your suspended Medicare supplement policy (or, if that is no longer available, a substantially equivalent policy) will be reinstituted if requested within 90 days of losing your employer or union-based group health plan. If the Medicare supplement policy provided coverage for outpatient prescription drugs and you enrolled in Medicare Part D while your policy was suspended, the reinstituted policy will not have outpatient prescription drug coverage, but will otherwise be substantially equivalent to your coverage before the date of the suspension.
- (6) Counseling services may be available in your state to provide advice concerning your purchase of Medicare supplement insurance and concerning medical assistance through the state Medicaid program, including benefits as a Qualified Medicare Beneficiary (QMB) and a specified Low-Income Medicare Beneficiary (SLMB).

[Questions]

If you lost or are losing other health insurance coverage and received a notice from your prior insurer saying you were eligible for guaranteed issue of a Medicare supplement insurance policy, or that you had certain rights to buy such a policy, you may be guaranteed acceptance in one or more of our Medicare supplement plans. Please include a copy of the notice from your prior insurer with your application. PLEASE ANSWER ALL QUESTIONS.  
[Please mark Yes or No below with an "X"]

To the best of your knowledge,

- (1) a. Did you turn age 65 in the last 6 months?

Yes\_\_\_\_ No\_\_\_\_

b. Did you enroll in Medicare Part B in the last 6 months?

Yes\_\_\_\_ No\_\_\_\_

c. If yes, what is the effective date? \_\_\_\_\_

(2) Are you covered for medical assistance through the state Medicaid program?

[NOTE TO APPLICANT: If you are participating in a “Spend-Down Program” and have not met your “Share of Cost,” please answer NO to this question.]

Yes\_\_\_\_ No\_\_\_\_

If yes,

a. Will Medicaid pay your premiums for this Medicare supplement policy?

Yes\_\_\_\_ No\_\_\_\_

b. Do you receive any medical benefits from Medicaid OTHER THAN payments toward your Medicare Part B premium? If yes, please describe.

Yes\_\_\_\_ No\_\_\_\_

(3) a. If you had coverage from any Medicare plan other than original Medicare within the past 90 days (for example, a Medicare Advantage plan, or a Medicare HMO or PPO), fill in your start and end dates below. If you are still covered under this plan, leave “END” blank. If your previous coverage before this Medicare plan was a different Medicare plan of the same type, your “START” date is the day you began your **first** plan of this type.

START \_\_/\_\_/\_\_ END \_\_/\_\_/\_\_

b. If you have been covered by more than one Medicare plan of this type, have you been covered continuously by these plans, with no break in coverage and no period of original Medicare (Part A or B) between the first plan and your current plan?

Yes\_\_\_\_ No\_\_\_\_

c. If you are still covered under the Medicare plan, do you intend to replace your current coverage with this new Medicare supplement policy?

Yes\_\_\_\_ No\_\_\_\_

- d. Did you drop a Medicare supplement policy to enroll in the Medicare plan?

Yes\_\_\_\_ No\_\_\_\_

- (4) a. Do you have another Medicare supplement policy in force?

Yes\_\_\_\_ No\_\_\_\_

- b. If so, with what company, and what plan do you have [optional for Direct Mailers]?

\_\_\_\_\_

- c. If so, do you intend to replace your current Medicare supplement policy with this policy?

Yes\_\_\_\_ No\_\_\_\_

- (5) Have you had coverage under any other health insurance within the past 90 days? (For example, an employer, union, or individual plan)

Yes\_\_\_\_ No\_\_\_\_

- a. If so, with what company and what kind of policy?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- b. What are your dates of coverage under the other policy?

START \_\_/\_\_/\_\_ END \_\_/\_\_/\_\_

(If you are still covered under the other policy, leave "END" blank.)

- B. Producers shall list any other health insurance policies they have sold to the applicant.

- (1) List policies sold which are still in force.

- (2) List policies sold in the past five (5) years which are no longer in force.

- C. In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the issuer, shall be returned to the applicant by the issuer upon delivery of the policy.

- D. Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer (other than a direct response issuer) or its producer shall furnish the applicant, prior to issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One copy of such notice signed by the applicant and the producer, except where the coverage is sold without a producer, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy the notice regarding replacement of Medicare supplement coverage.
- E. The notice required by Subsection D above for an issuer shall be provided in substantially the following form in no less than twelve (12) point type:

**NOTICE TO APPLICANT REGARDING REPLACEMENT  
OF MEDICARE SUPPLEMENT INSURANCE OR MEDICARE ADVANTAGE**

[Insurance company's name and address]

**SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE**

According to [your application] [information you have furnished], you intend to terminate existing Medicare supplement or Medicare Advantage insurance and replace it with a policy to be issued by [Company Name] Insurance Company. Your new policy will provide thirty (30) days within which you may decide without cost whether you desire to keep the policy.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. If, after due consideration, you find that purchase of this Medicare supplement coverage is a wise decision, you should terminate your present Medicare supplement or Medicare Advantage coverage. You should evaluate the need for other accident and sickness coverage you have that may duplicate this policy.

**STATEMENT TO APPLICANT BY ISSUER, PRODUCER  
[OR OTHER REPRESENTATIVE]**

I have reviewed your current medical or health insurance coverage. To the best of my knowledge, this Medicare supplement policy will not duplicate your existing Medicare supplement or, if applicable, Medicare Advantage coverage because you intend to terminate your existing Medicare supplement or leave your Medicare Advantage plan coverage. The replacement policy is being purchased for the following reason(s) (check one).

- ☐ Additional benefits
- ☐ No change in benefits, but lower premiums
- ☐ Fewer benefits and lower premiums

\_\_\_\_ My plan has outpatient prescription drug coverage and I am enrolling in Part D.

\_\_\_\_ Disenrollment from a Medicare Advantage plan. Please reason for disenrollment. [optional only for Direct Mailers.]

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_ Other (please specify)

1. Note: If the issuer of the Medicare supplement policy being applied for does not, or is otherwise prohibited from imposing pre-existing condition limitations, please skip to statement 2 below. Health conditions which you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay of a claim for benefits under the new policy, whereas a similar claim might have been payable under your present policy.
2. State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods, or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent such time was spent (depleted) under the original policy.
3. If you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded. [If the policy or certificate is guaranteed issue, this paragraph need not appear.]

Do not cancel your present policy until you have received your new policy and are sure that you want to keep it.

\_\_\_\_\_  
 (Signature of Producer or Other Representative)\*

[Typed Name and Address of Issuer or Producer]

\_\_\_\_\_  
 (Applicant's Signature)

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(Date)

\*Signature not required for direct response sales.

- F. Paragraphs 1 and 2 of the replacement notice (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

## **Section 19. Filing Requirements for Advertising**

An issuer shall provide a copy of any Medicare supplement advertisement intended for use in this State, whether through written, radio or television medium, to the Superintendent for approval at least 30 days prior to the date the advertisement will be used in this State.

All advertising materials shall specifically disclose the availability of Medicare supplemental products to those persons eligible for Medicare because of disability.

Producer or broker advertisements that do not identify Medicare supplement issuers by name are not subject to this section.

## **Section 20. Standards for Marketing**

- A. An issuer, directly or through its producers, shall:

- (1) Establish marketing procedures to assure that any comparison of policies by its producers will be fair and accurate.
- (2) Establish marketing procedures to assure excessive insurance is not sold or issued.
- (3) Display prominently by type, stamp or other appropriate means, on the first page of the policy the following:

“Notice to buyer: This policy may not cover all of your medical expenses.”

- (4) Inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for Medicare supplement insurance already has accident and sickness insurance and the types and amounts of any such insurance.
- (5) Establish auditable procedures for verifying compliance with this Subsection A.
- (6) If applicable, develop and document the implementation of procedures to monitor and assess the accuracy of information provided to consumers by outside entities or associations, with particular attention to guaranteed issue rights and other state-specific issues that cannot be addressed accurately by

uniform nationwide materials. Carriers must make the procedures and written assessments available to the Bureau of Insurance upon request.

- B. In addition to the practices prohibited in 24-A M.R.S.A., Chapter 23, the following acts and practices are prohibited:
- (1) **Twisting.** Knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy or to take out a policy of insurance with another insurer.
  - (2) **High pressure tactics.** Employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance.
  - (3) **Cold lead advertising.** Making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance producer or insurance company.
  - (4) **Use an appointment that was made to discuss Medicare products or to solicit the sale of Medicare products in order to solicit sales of life insurance, health insurance or annuity products unless the consumer requests such solicitation and the products to be discussed are clearly identified to the consumer in writing at least 48 hours in advance of the appointment.**
  - (5) **Solicit the sale of Medicare products door-to-door prior to receiving an invitation from a consumer.**
- C. The terms "*Medicare Supplement*," "*Medigap*," "*Medicare Wrap-Around*" and words of similar import shall not be used unless the policy is issued in compliance with this Rule.

## **Section 21. Appropriateness of Recommended Purchase and Excessive Insurance**

- A. In recommending the purchase or replacement of any Medicare supplement policy or certificate a producer shall make reasonable efforts to determine the appropriateness of a recommended purchase or replacement.
- B. Any sale of a Medicare supplement policy or certificate that will provide an individual more than one Medicare supplement policy or certificate is prohibited.
- C. An issuer shall not issue a Medicare supplement policy or certificate to an individual enrolled in Medicare Part C unless the effective date of the coverage is after the termination date of the individual's Part C coverage.



- D. A producer recommending the replacement of a Medicare supplement policy with a Medicare Advantage plan shall provide the beneficiary with a written notice advising that if the individual is terminating the Medicare supplement policy to enroll in a Medicare Advantage plan for the first time, the individual may be entitled to obtain a Medicare supplement policy in the state of Maine if he or she returns to original Medicare Part A and Part B within three years. The notice shall specifically advise that the right to return to original Medicare Part A and Part B is governed by federal law and that for many enrollees federal law only permits Medicare beneficiaries to return to original Medicare Part A and Part B during an annual enrollment period. The notice shall specifically advise that Medicare Advantage enrollees may need to return to original Medicare Part A and Part B in less than three years in order to obtain a Medicare supplement policy on a guaranteed issue basis.

## **Section 22. Reporting of Multiple Policies**

- A. On or before March 1 of each year, an issuer shall report the following information for every individual resident of this State for which the issuer has in force more than one Medicare supplement policy or certificate, or has in force both a Medicare Advantage plan and a Medicare supplement policy or certificate:
  - (1) Policy and certificate number, and
  - (2) Date of issuance
- B. The items set forth above must be grouped by individual policyholder.

Appendix B contains a reporting form for compliance with paragraph A.

## **Section 23. Prohibition Against Preexisting Conditions, Waiting Periods, Elimination Periods, and Probationary Periods in Replacement Policies or Certificates**

- A. If a Medicare supplement policy or certificate replaces another Medicare supplement or Medicare Advantage policy or certificate within 90 days, the replacing issuer shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy or certificate for similar benefits to the extent such time was spent under the original policy.
- B. If a Medicare supplement policy or certificate replaces another Medicare supplement or Medicare Advantage policy or certificate which has been in effect for at least six (6) months, the replacing policy shall not provide any time period applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods for benefits similar to those contained in the original policy or certificate.
- C. If a Medicare supplement plan A is issued on a guaranteed issue basis pursuant to 24-A M.R.S.A. § 5012, the issuer shall not apply a preexisting condition exclusion, waiting period, elimination period, or probationary period.

## **Section 24. Prohibition Against Use of Genetic Information and Requests for Genetic Testing**

This section applies to all policies with policy years beginning on or after the effective date of the 2009 amendments to this Rule.

***Drafting Note:*** *The federal Genetic Information Nondiscrimination Act of 2008 (GINA) requires issuers to comply with GINA requirements identical to those set forth in this section by May 21, 2009.*

- A. An issuer of a Medicare supplement policy or certificate:
  - (1) Shall not deny or condition the issuance or effectiveness of the policy or certificate (including the imposition of any exclusion of benefits under the policy based on a pre-existing condition) on the basis of the genetic information with respect to such individual; and
  - (2) Shall not discriminate in the pricing of the policy or certificate (including the adjustment of premium rates) of an individual on the basis of the genetic information with respect to such individual.
- B. Nothing in Subsection A shall be construed to limit the ability of an issuer, to the extent otherwise permitted by law, from:
  - (1) Denying or conditioning the issuance or effectiveness of the policy or certificate or increasing the premium for a group based on the manifestation of a disease or disorder of an insured or applicant; or
  - (2) Increasing the premium for any policy issued to an individual based on the manifestation of a disease or disorder of an individual who is covered under the policy (in such case, the manifestation of a disease or disorder in one individual cannot also be used as genetic information about other group members or to further increase the premium for the group).
- C. An issuer of a Medicare supplement policy or certificate shall not request or require an individual or a family member of such individual to undergo a genetic test.
- D. Subsection C shall not be construed to preclude an issuer of a Medicare supplement policy or certificate from obtaining and using the results of a genetic test in making a determination regarding payment (as defined for the purposes of applying the regulations promulgated under part C of title XI and Section 264 of the Health Insurance Portability and Accountability Act of 1996, as may be revised from time to time) and consistent with Subsection A.
- E. For purposes of carrying out Subsection D, an issuer of a Medicare supplement policy or certificate may request only the minimum amount of information necessary to accomplish the intended purpose.

- F. Notwithstanding Subsection C, an issuer of a Medicare supplement policy may request, but not require, that an individual or a family member of such individual undergo a genetic test if each of the following conditions is met:
- (1) The request is made pursuant to research that complies with part 46 of title 45, Code of Federal Regulations, or equivalent Federal regulations, and any applicable state or local law or regulations for the protection of human subjects in research.
  - (2) The issuer clearly indicates to each individual, or in the case of a minor child, to the legal guardian of such child, to whom the request is made that:
    - a. Compliance with the request is voluntary; and
    - b. Non-compliance will have no effect on enrollment status or premium or contribution amounts.
  - (3) No genetic information collected or acquired under this subsection shall be used for underwriting, determination of eligibility to enroll or maintain enrollment status, premium rates, or the issuance, renewal, or replacement of a policy or certificate.
  - (4) The issuer notifies the Secretary in writing that the issuer is conducting activities pursuant to the exception provided for under this subsection, including a description of the activities conducted.
  - (5) The issuer complies with such other conditions as the Secretary may by regulation require for activities conducted under this subsection.
- G. An issuer of a Medicare supplement policy or certificate shall not request, require, or purchase genetic information for underwriting purposes.
- H. An issuer of a Medicare supplement policy or certificate shall not request, require, or purchase genetic information with respect to any individual prior to such individual's enrollment under the policy in connection with such enrollment.
- I. If an issuer of a Medicare supplement policy or certificate obtains genetic information incidental to the requesting, requiring, or purchasing of other information concerning any individual, the incidental acquisition of genetic information shall not be considered a violation of Subsection H if the underlying request, requirement, or purchase of information is not in violation of Subsection G.
- J. For the purposes of this section only:
- (1) "Issuer of a Medicare supplement policy or certificate" includes a third-party administrator, or other person acting for or on behalf of the issuer.

- 
- (2) “Family member” means, with respect to an individual, any other individual who is a first-degree, second-degree, third-degree, or fourth-degree relative of such individual.
- (3) “Genetic information” means, with respect to any individual, information about such individual’s genetic tests, the genetic tests of family members of such individual, and the manifestation of a disease or disorder in family members of such individual. Such term includes, with respect to any individual, any request for, or receipt of, genetic services, or participation in clinical research which includes genetic services, by such individual or any family member of such individual. Any reference to genetic information concerning an individual or family member of an individual who is a pregnant woman, includes genetic information of any fetus carried by such pregnant woman, or with respect to an individual or family member utilizing reproductive technology, includes genetic information of any embryo legally held by an individual or family member. The term “genetic information” does not include information about the sex or age of any individual.
- (4) “Genetic services” means a genetic test, genetic counseling (including obtaining, interpreting, or assessing genetic information), or genetic education.
- (5) “Genetic test” means an analysis of human DNA, RNA, chromosomes, proteins, or metabolites, that detect genotypes, mutations, or chromosomal changes. The term “genetic test” does not mean an analysis of proteins or metabolites that does not detect genotypes, mutations, or chromosomal changes; or an analysis of proteins or metabolites that is directly related to a manifested disease, disorder, or pathological condition that could reasonably be detected by a health care professional with appropriate training and expertise in the field of medicine involved.
- (6) “Underwriting purposes” means,
- a. Rules for, or determination of, eligibility (including enrollment and continued eligibility) for benefits under the policy;
  - b. The computation of premium or contribution amounts under the policy;
  - c. The application of any pre-existing condition exclusion under the policy; and
  - d. Other activities related to the creation, renewal, or replacement of a contract of health insurance or health benefits.

## **Section 25. Separability**

If any provision of this Rule or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the Rule and the application of such provision to other persons or circumstances shall not be affected thereby.

## **Section 26. Effective Date**

The 2009 amendments are effective September 8, 2009.

The 2014 amendments are effective November 24, 2014.

The 2018 amendments are effective December 26, 2018.

## **History**

### **EFFECTIVE DATE:**

January 1, 1992

### **AMENDED:**

February 12, 1994

June 11, 1996

### **EFFECTIVE DATE (ELECTRONIC CONVERSION):**

January 14, 1997

### **AMENDED:**

April 28, 1999

### **NON-SUBSTANTIVE CORRECTION:**

April 7, 2000 -added note regarding  
Appendix availability

### **AMENDED:**

August 9, 2000 (EMERGENCY  
- expires November 7, 2000)

November 8, 2000

December 14, 2003 - filing 2003-464

August 27, 2005 – filing 2005-344

September 8, 2009 – filing 2009-453

November 24, 2014 – filing 2014-272

December 26, 2018 – filing 2018-274

## APPENDIX A

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR \_\_\_\_\_**

TYPE<sup>1</sup> \_\_\_\_\_ SMSBP<sup>2</sup> \_\_\_\_\_  
 For the State of \_\_\_\_\_ Company Name \_\_\_\_\_  
 NAIC Group Code \_\_\_\_\_ NAIC Company Code \_\_\_\_\_  
 Address \_\_\_\_\_ Person Completing Exhibit \_\_\_\_\_  
 Title \_\_\_\_\_ Telephone Number \_\_\_\_\_

Line		(a) Earned Premium <sup>3</sup>	(b) Incurred Claims <sup>4</sup>
1.	Current Year's Experience		
	a. Total (all policy years)		
	b. Current year's issues <sup>5</sup>		
	c. Net (for reporting purposes = 1a-1b)		
2.	Past Years' Experience (all policy years)		
3.	Total Experience (Net Current Year + Past Year)		
4.	Refunds Last Year (Excluding Interest)		
5.	Previous Since Inception (Excluding Interest)		
6.	Refunds Since Inception (Excluding Interest)		
7.	Benchmark Ratio Since Inception ( <i>see worksheet for Ratio 1</i> )		
8.	Experienced Ratio Since Inception ( <i>Ratio 2</i> ) <u>Total Actual Incurred Claims (line 3, col. b)</u> <u>Total Earned Prem. (line 3, col. a) - Refunds Since Inception (line 6)</u>		
9.	Life Years Exposed Since Inception If the Experienced Ratio is less than the Benchmark Ratio, and there are more than 500 life years exposure, then proceed to calculation of refund.		
10.	Tolerance Permitted (obtained from credibility table)		

Medicare Supplement Credibility Table

Life Years Exposed	
Since Inception	Tolerance
10,000 +	0.0%
5,000 -9,999	5.0%
2,500 -4,999	7.5%
1,000 -2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

1 Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

2 "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for pre-standardized plans.

3 Includes Modal Loadings and Fees Charged

4 Excludes Active Life Reserves

5 This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios"

**MEDICARE SUPPLEMENT REFUND CALCULATION FORM  
FOR CALENDAR YEAR \_\_\_\_\_**

TYPE<sup>1</sup> \_\_\_\_\_ SMSBP<sup>2</sup> \_\_\_\_\_  
 For the State of \_\_\_\_\_ Company Name \_\_\_\_\_  
 NAIC Group Code \_\_\_\_\_ NAIC Company Code \_\_\_\_\_  
 Address \_\_\_\_\_ Person Completing Exhibit \_\_\_\_\_  
 Title \_\_\_\_\_ Telephone Number \_\_\_\_\_

11.	Adjustment to Incurred Claims for Credibility	
	Ratio 3 = Ratio 2 + Tolerance	

If Ratio 3 is more than Benchmark Ratio (Ratio 1), a refund or credit to premium is not required.  
 If Ratio 3 is less than the Benchmark Ratio, then proceed.

12.	Adjusted Incurred Claims	
	[Total Earned Premiums (line 3, col. a)–Refunds Since Inception (line 6)] x Ratio 3 (line 11)	
13.	Refund =	
	Total Earned Premiums (line 3, col. a)–Refunds Since Inception (line 6) –[Adjusted Incurred Claims (line 12)/Benchmark Ratio (Ratio 1)]	

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund or credit against premiums to be used must be attached to this form.

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name - Please Type

\_\_\_\_\_  
Title - Please Type

\_\_\_\_\_  
Date

**REPORTING FORM FOR THE CALCULATION OF BENCHMARK  
RATIO SINCE INCEPTION FOR GROUP POLICIES  
FOR CALENDAR YEAR \_\_\_\_\_**

TYPE<sup>1</sup> \_\_\_\_\_ SMSBP<sup>2</sup> \_\_\_\_\_  
 For the State of \_\_\_\_\_ Company Name \_\_\_\_\_  
 NAIC Group Code \_\_\_\_\_ NAIC Company Code \_\_\_\_\_  
 Address \_\_\_\_\_ Person Completing Exhibit \_\_\_\_\_  
 Title \_\_\_\_\_ Telephone Number \_\_\_\_\_

(a) <sup>3</sup>	(b) <sup>4</sup>	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(o) <sup>5</sup>
Year	Earned Premium	Factor	(b) x (c)	Cumulativ e Loss Ratio	(d) x (e)	Factor	(b) x (g)	Cumulative Loss Ratio	(h) x (i)	Policy Year Loss Ratio
1		2.770		0.507		0.000		0.000		0.46
2		4.175		0.567		0.000		0.000		0.63
3		4.175		0.567		1.194		0.759		0.75
4		4.175		0.567		2.245		0.771		0.77
5		4.175		0.567		3.170		0.782		0.80
6		4.175		0.567		3.998		0.792		0.82
7		4.175		0.567		4.754		0.802		0.84
8		4.175		0.567		5.445		0.811		0.87
9		4.175		0.567		6.075		0.818		0.88
10		4.175		0.567		6.650		0.824		0.88
11		4.175		0.567		7.176		0.828		0.88
12		4.175		0.567		7.655		0.831		0.88
13		4.175		0.567		8.093		0.834		0.89
14		4.175		0.567		8.493		0.837		0.89
15		4.175		0.567		8.684		0.838		0.89
Total:			(k) :		(l) :		(m) :		(n) :	

Benchmark Ratio Since Inception:  $(l + n)/(k + m)$ : \_\_\_\_\_

<sup>1</sup> Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

<sup>2</sup> "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for pre-standardized plans

<sup>3</sup> Year 1 is the current calendar year - 1. Year 2 is the current calendar year - 2 (etc.) (Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989, etc.)

<sup>4</sup> For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

<sup>5</sup> These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for informational purposes only.

<sup>6</sup> To include the earned premium for all years prior to as well as the 15<sup>th</sup> year prior to the current year.



**REPORTING FORM FOR THE CALCULATION OF BENCHMARK  
RATIO SINCE INCEPTION FOR INDIVIDUAL POLICIES  
FOR CALENDAR YEAR \_\_\_\_\_**

TYPE<sup>1</sup> \_\_\_\_\_ SMSBP<sup>2</sup> \_\_\_\_\_  
 For the State of \_\_\_\_\_ Company Name \_\_\_\_\_  
 NAIC Group Code \_\_\_\_\_ NAIC Company Code \_\_\_\_\_  
 Address \_\_\_\_\_ Person Completing Exhibit \_\_\_\_\_  
 Title \_\_\_\_\_ Telephone Number \_\_\_\_\_

(a) <sup>3</sup>	(b) <sup>4</sup>	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(o) <sup>5</sup>
Year	Earned Premium	Factor	(b) x (c)	Cumulativ e Loss Ratio	(d) x (e)	Factor	(b) x (g)	Cumulative Loss Ratio	(h) x (i)	Policy Year Loss Ratio
1		2.770		0.442		0.000		0.000		0.40
2		4.175		0.493		0.000		0.000		0.55
3		4.175		0.493		1.194		0.659		0.65
4		4.175		0.493		2.245		0.669		0.67
5		4.175		0.493		3.170		0.678		0.69
6		4.175		0.493		3.998		0.686		0.71
7		4.175		0.493		4.754		0.695		0.73
8		4.175		0.493		5.445		0.702		0.75
9		4.175		0.493		6.075		0.708		0.76
10		4.175		0.493		6.650		0.713		0.76
11		4.175		0.493		7.176		0.717		0.76
12		4.175		0.493		7.655		0.720		0.77
13		4.175		0.493		8.093		0.723		0.77
14		4.175		0.493		8.493		0.725		0.77
15		4.175		0.493		8.684		0.725		0.77
Total:			(k) :		(l) :		(m) :		(n) :	

Benchmark Ratio Since Inception:  $(l + n) / (k + m)$  : \_\_\_\_\_

<sup>1</sup> Individual, Group, Individual Medicare Select, or Group Medicare Select Only.

<sup>2</sup> "SMSBP" = Standardized Medicare Supplement Benefit Plan - Use "P" for pre-standardized plans

<sup>3</sup> Year 1 is the current calendar year - 1. Year 2 is the current calendar year - 2 (etc.) (Example: If the current year is 1991, then: Year 1 is 1990; Year 2 is 1989, etc.)

<sup>4</sup> For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.

<sup>5</sup> These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for informational purposes only.

<sup>6</sup> To include the earned premium for all years prior to as well as the 15<sup>th</sup> year prior to the current year.

APPENDIX B

FORM FOR REPORTING  
MEDICARE SUPPLEMENT POLICIES

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone Number: \_\_\_\_\_

Due March 1, annually

The purpose of this form is to report the following information on each resident of this State who has in force more than one Medicare supplement policy or certificate. The information is to be grouped by individual policyholder.

Policy and Certificate #	Date of Issuance

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title (please type)

\_\_\_\_\_  
Date

## APPENDIX C

### DISCLOSURE STATEMENTS

#### Instructions for Use of the Disclosure Statements for Health Insurance Policies Sold to Medicare Beneficiaries that Duplicate Medicare

1. Section 1882 (d) of the federal Social Security Act [42 U.S.C. 1395ss] prohibits the sale of a health insurance policy (the term policy includes certificate) to Medicare beneficiaries that duplicates Medicare benefits unless it will pay benefits without regard to a beneficiary's other health coverage and it includes the prescribed disclosure statement on or together with the application for the policy.
2. All types of health insurance policies that duplicate Medicare shall include one of the attached disclosure statements, according to the particular policy type involved, on the application or together with the application. The disclosure statement may not vary from the attached statements in terms of language or format (type size, type proportional spacing, bold character, line spacing, and usage of boxes around text).
3. State and federal law prohibits insurers from selling a Medicare supplement policy to a person that already has a Medicare supplement policy except as a replacement policy.
4. Property/casualty and life insurance policies are not considered health insurance.
5. Disability income policies are not considered to provide benefits that duplicate Medicare.
6. Long-term care insurance policies that coordinate with Medicare and other health insurance are not considered to provide benefits that duplicate Medicare.
7. The federal law does not preempt state laws that are more stringent than the federal requirements.
8. The federal law does not preempt existing state form filing requirements.
9. Section 1882 of the federal Social Security Act was amended in Subsection (d)(3)(A) to allow for alternative disclosure statements. The disclosure statements already in Appendix C remain. Carriers may use either disclosure statement with the requisite insurance product. However, carriers should use either the original disclosure statements or the alternative disclosure statements and not use both simultaneously.

**Drafting Note:** *Insurers insert reference to: outpatient prescription drugs and state health insurance assistance program (SHIP) above when new notices need to be printed after December 31, 2005.*

[Original disclosure statement for policies that provide benefits for expenses incurred for an accidental injury only.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**  
**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses that result from accidental injury. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when it pays:**

- hospital or medical expenses up to the maximum stated in the policy

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**Before You Buy This Insurance**

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Original disclosure statement for policies that provide benefits for specified limited services.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b> <b>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</b></p>
---

**This is not Medicare Supplement Insurance**

This insurance provides limited benefits, if you meet the policy conditions, for expenses relating to the specific services listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when:**

- any of the services covered by the policy are also covered by Medicare

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**Before You Buy This Insurance**

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Original disclosure statement for policies that reimburse expenses incurred for specified diseases or other specified impairments. This includes expense-incurred cancer, specified disease and other types of health insurance policies that limit reimbursement to named medical conditions.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b>  <b>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</b></p>
--

### **This is not Medicare Supplement Insurance**

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses only when you are treated for one of the specific diseases or health conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when it pays:**

- hospital or medical expenses up to the maximum stated in the policy

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

#### **Before You Buy This Insurance**

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Original disclosure statement for policies that pay fixed dollar amounts for specified diseases or other specified impairments. This includes cancer, specified disease, and other health insurance policies that pay a scheduled benefit or specific payment based on diagnosis of the conditions named in the policy.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b>  <b>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</b></p>
--

### **This is not Medicare Supplement Insurance**

This insurance pays a fixed amount, regardless of your expenses, if you meet the policy conditions, for one of the specific diseases or health conditions named in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits because Medicare generally pays for most of the expenses for the diagnosis and treatment of the specific conditions or diagnoses named in the policy.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

#### Before You Buy This Insurance

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Original disclosure statement for indemnity policies and other policies that pay a fixed dollar amount per day, excluding long-term care policies.]

**IMPORTANT NOTICE TO PERSONS ON MEDICARE**  
**THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS**

**This is not Medicare Supplement Insurance**

This insurance pays a fixed dollar amount, regardless of your expenses, for each day you meet the policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when:**

- any expenses or services covered by the policy are also covered by Medicare

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**Before You Buy This Insurance**

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].



[Original disclosure statement for policies that provide benefits upon both an expense-incurred and fixed indemnity basis.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b>  <b>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</b></p>
--

### **This is not Medicare Supplement Insurance**

This insurance pays limited reimbursement for expenses if you meet the conditions listed in the policy. It also pays a fixed amount, regardless of your expenses, if you meet other policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when:**

- any expenses or services covered by the policy are also covered by Medicare; or
- it pays the fixed dollar amount stated in the policy and Medicare covers the same event

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice care
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items & services

#### **Before You Buy This Insurance**

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Original disclosure statement for other health insurance policies not specifically identified in the preceding statements.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b> <b>THIS INSURANCE DUPLICATES SOME MEDICARE BENEFITS</b></p>
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**This is not Medicare Supplement Insurance**

This insurance provides limited benefits if you meet the conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**This insurance duplicates Medicare benefits when it pays:**

- the benefits stated in the policy and coverage for the same event is provided by Medicare

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**Before You Buy This Insurance**

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Alternative disclosure statement for policies that provide benefits for expenses incurred for an accidental injury only.]

<p><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b> <b>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</b></p>
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**Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.**

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses that result from accidental injury. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

**Before You Buy This Insurance**

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Alternative disclosure statement for policies that provide benefits for specified limited services.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b> <b>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</b></p>
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**Some health care services paid for by Medicare may also trigger the payment of benefits under this policy.**

This insurance provides limited benefits, if you meet the policy conditions, for expenses relating to the specific services listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

**Before You Buy This Insurance**

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Alternative disclosure statement for policies that reimburse expenses incurred for specified diseases or other specified impairments. This includes expense-incurred cancer, specified disease and other types of health insurance policies that limit reimbursement to named medical conditions.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b>  <b>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</b></p>
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**Some health care services paid for by Medicare may also trigger the payment of benefits from this policy. Medicare generally pays for most or all of these expenses.**

This insurance provides limited benefits, if you meet the policy conditions, for hospital or medical expenses only when you are treated for one of the specific diseases or health conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

### **Before You Buy This Insurance**

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Alternative disclosure statement for policies that pay fixed dollar amounts for specified diseases or other specified impairments. This includes cancer, specified disease, and other health insurance policies that pay a scheduled benefit or specific payment based on diagnosis of the conditions named in the policy.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b>  <b>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</b></p>
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**Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.**

This insurance pays a fixed amount, regardless of your expenses, if you meet the policy conditions, for one of the specific diseases or health conditions named in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

**Before You Buy This Insurance**

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Alternative disclosure statement for indemnity policies and other policies that pay a fixed dollar amount per day, excluding long-term care policies.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b>  <b>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</b></p>
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**Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.**

This insurance pays a fixed dollar amount, regardless of your expenses, for each day you meet the policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

**Before You Buy This Insurance**

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].

[Alternative disclosure statement for policies that provide benefits upon both an expense-incurred and fixed indemnity basis.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b>  <b>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</b></p>
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**Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.**

This insurance pays limited reimbursement for expenses if you meet the conditions listed in the policy. It also pays a fixed amount, regardless of your expenses, if you meet other policy conditions. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice care
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items & services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

**Before You Buy This Insurance**

- √ Check the coverage in **all** health insurance policies you already have.
- √ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- √ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].



[Alternative disclosure statement for other health insurance policies not specifically identified in the preceding statements.]

<p style="text-align: center;"><b>IMPORTANT NOTICE TO PERSONS ON MEDICARE</b>  <b>THIS IS NOT MEDICARE SUPPLEMENT INSURANCE</b></p>
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**Some health care services paid for by Medicare may also trigger the payment of benefits from this policy.**

This insurance provides limited benefits if you meet the conditions listed in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- hospitalization
- physician services
- hospice
- [outpatient prescription drugs if you are enrolled in Medicare Part D]
- other approved items and services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

**Before You Buy This Insurance**

- ✓ Check the coverage in **all** health insurance policies you already have.
- ✓ For more information about Medicare and Medicare Supplement insurance, review the *Guide to Health Insurance for People with Medicare*, available from the insurance company.
- ✓ For help in understanding your health insurance, contact your state insurance department or state [health] insurance [assistance] program [SHIP].